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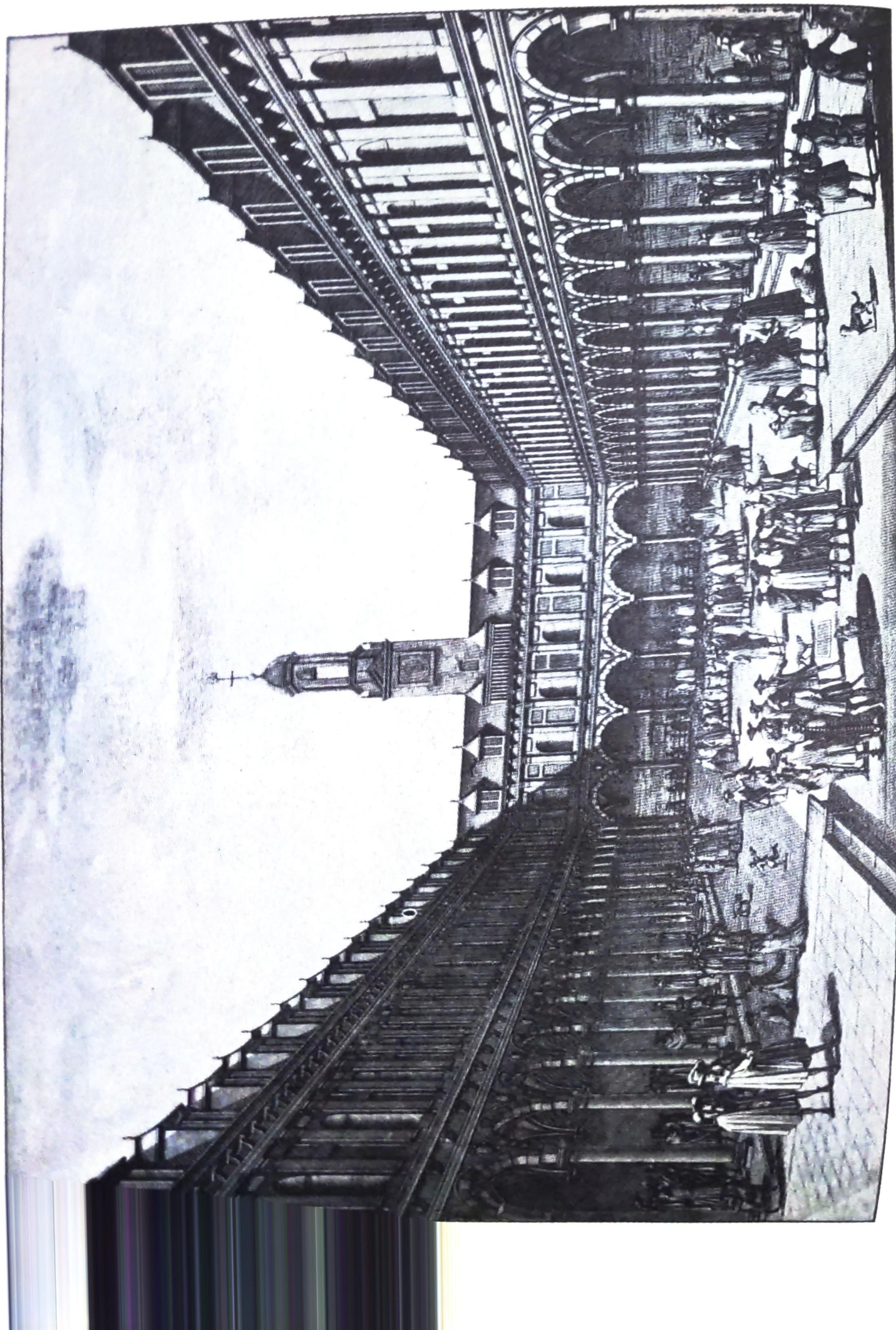
M. M. POSTAN

Professor of Economic History in the University of Cambridge

ANGLO-DUTCH
COMMERCE & FINANCE
IN THE
EIGHTEENTH
CENTURY

"I beg pardon Sir, for making so much use of calculations, but upon this subject it is impossible to argue without figures, and as there is nothing mysterious or uncommon in the calculations I have made use of, I hope gentlemen will forgive me."

SIR JOHN BARNARD, in the Parliamentary Debate on his Proposal to reduce the Interest on the National Debt, 1737.



The Amsterdam Bourse

ANGLO-DUTCH
COMMERCE & FINANCE
IN THE
EIGHTEENTH
CENTURY

BY
CHARLES WILSON

*Fellow of Jesus College
Cambridge*

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AUTHOR'S FOREWORD

It is a quarter of a century since this study first appeared. During that time, research in the Netherlands and in Britain has raised further speculations on two aspects of the subject: the reasons for and the nature of the economic decline of the Dutch, and the volume of Dutch investment in 18th century England.

On the first, I should place more emphasis now than formerly on taxation as an element in Dutch industrial decline. My reasoning is set out in a communication to the Royal Historical Association at Utrecht ('Taxation and the Decline of Empires, An Unfashionable Theme,' *Bijdragen en Mededelingen van Het Historisch Genootschap*, Vol. 77, 1963). The most recent, fullest and most scientific general study of Dutch economic decline is by Dr J. de Vries, *De Economische Achteruitgang Der Republiek in De Achttiende Eeuw* (Amsterdam 1959).

My original text (p. 78) emphasised the difficulties of establishing accurately the volume of Dutch investment in England. Mrs Alice Carter, of the London School of Economics, has produced several very careful studies of this problem. ('The Dutch and the English Public Debt in 1777', *Economica* May 1953. 'Dutch Foreign Investment 1738-1800', *Economica* November 1953. 'The Dutch Notarial Archives', *The Bulletin of the Institute of Historical Research*, vol. XXVI 1953). Mrs Carter has persuaded me that one of the estimates that seemed more reliable than the rest (that attributed to Lord North) is itself suspect. But the problems of estimating the flow of investment remain formidable. My doubts about Mrs Carter's method of calculation and her reply will be found in the *Economic History Review*, Second Series, vol. XII, No. 3, 1960 ('Dutch Investment in Eighteenth Century England; A Note on Yardsticks').

CHARLES WILSON

21 January 1966

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EDITORIAL PREFACE

“The Dutch archives”, Macaulay wrote, “have been far too little explored. They abound in information interesting in the highest degree to every Englishman.” Going to Holland to study the financial relations between that country and this during the eighteenth century, and—behind these relations—that great change in the economic balance of power between the two countries which took place between the death of Charles II and the close of the War of American Independence, Mr Wilson has opened up a fresh section of the Dutch archives, those of the Notaries. We have in England no exact equivalent of the notarial collections of the Continent which in recent years have supplied European economic historians with some of their most valuable material—wills, inventories of property, records of formal commercial transactions which required a notary, and the like. All the more reason why we should explore these continental depots where their contents concern us, as those of Amsterdam assuredly do.

Side by side with the notarial records, the Amsterdam archives contain collections of commercial correspondence, some of it our own. Mr Wilson would hardly have found at home copies of the letters of some Exeter and Tiverton merchants who exported serges and druggets in Queen Anne’s day; or of those of the Bosanquets of London who did a fine re-export trade in East Indian silks and muslins and “colonial produce” under the first two Georges. We in England are poor in such really old commercial documents. Besides admitting him to the company of these English or Huguenot traders, the collections of Amsterdam have made Mr Wilson at home among those “Mynheers”—they often by the way had Huguenot or English or Scottish names, de Neufville, Clifford, Hope—who did business with all Europe and almost the whole earth, carried in their ships the goods of a great part of it, served as intermediaries between the

different nations—often finishing their wares before passing them on—and lent their surplus wealth impartially to every likely borrowing government.

Lent their surplus wealth, how and why and with what results, these are the key-phrases of the problem. The how of their lending here in England Mr Wilson has made perfectly clear: there is no need to anticipate him in an editorial preface. It was not his business to follow their seventeenth- and eighteenth-century lendings all over Europe—to the Emperor, the Czar, the Kings of Prussia, Sweden, Denmark and Poland; to German Grand Dukes and Free Cities; or their cautious late eighteenth-century transactions with that untrustworthy borrower the King of France.

Englishmen of the seventeenth century were always discussing, with a mixture of admiration, envy and hatred, the efficiency of Dutch agriculture, Dutch shipbuilding, Dutch industry, commercial methods and banking. As the eighteenth century wore on, and Dutch ships, books, linens and Delft ware gradually lost that absolute supremacy of quality over competing products from other countries that they had once enjoyed, the English discussed most the wonderful cheapness of Dutch capital, while England's critics explained that her militant imperialism was fed by and dependent on that capital. Why the Dutch put an increasing part of their resources into this lending to foreigners and particularly to Englishmen, as it would appear they did, is for Mr Wilson to discuss in detail. Here one can only say that they turned most of all to England because England was particularly secure and because in the Anglo-Dutch community of London, whose life and activities Mr Wilson studies, there was a well-tried channel of intercourse and investment. In the long run most of that community became English—van Necks, van Sittarts, Kuijck van Mierops, Burthons and the rest. But in this period they were still tolerably international and in any case they never lost their contacts with Amsterdam. Nor did their companions in migration to England, the Portuguese Sephardic Jews—Pereira, da Costa, Henriquez, Medina.

How early and how wholeheartedly the Dutch investor turned towards English safety the records of the Bank of England show. The less than twenty certain Dutch names of proprietors, out of nearly 1300, in 1694 have risen to over 200 under a single letter of the dividend index of 1726—but that is the letter V: they are the Dutch “Vans”.

England remained secure and Holland, though too much of a rentier state, was never decadent. She was merely outstripped by bigger and better endowed neighbours like ourselves. Perhaps, as Mr Wilson argues, she clung too long to obsolete commercial policies; but she would have been outstripped anyhow. Then she became involved in war with us in 1780, a war which did her vast harm economically. Yet she remained rich and her surviving English investments, in the Funds or in East India and Bank stock, secure. Some she had sold. You did not confiscate enemy private property in the eighteenth century. Nearly a sixth of the proprietors of Bank stock still had addresses in Holland in 1791.

Shortly after that came the French conquest and the close of the age that Mr Wilson examines.

At the request of the Editor who is much occupied with war-time duties, and of Mr Wilson himself, this Preface is written and signed by the Editor's predecessor under whom the work was begun, but to whom none of the credit for it is due.

J. H. CLAPHAM

P R E F A C E

This book is based on work done in Holland in 1937 and 1938 and was made possible by the generosity of the Master and Fellows of Jesus College, to whom I wish to express my gratitude.

I went to Holland to study financial relations between Holland and England in the eighteenth century, because my reading of writers like Isaac de Pinto, Postlethwayt and Steuart had led me to believe that some such inquiry might add to our scanty knowledge of international finance between the sixteenth and nineteenth centuries. My first attempts to find sources of information were disappointing, and I was often assured that they did not exist. Then on the suggestion of Dr van Dillen, I turned to the records of the Notaries in the Gemeente Archief at Amsterdam. In these vast archives and the accompanying collections of commercial correspondence, I found day to day registers of financial and speculative transactions between the two countries. The problem then became one of managing a mass of material large enough to occupy a whole team of investigators. Working alone under a time limit and translating as I went, I decided that a complete quantitative treatment was out of the question and that I must work from selected gobbets of material. As I worked, however, it became clear that during my period commercial and financial transactions between the two countries were in fact handled by a comparatively small group of firms, most of whom were linked by ties of blood, marriage, religion or race, or, at the very least, personal acquaintance. I dared to hope, therefore, that the existence of this complex of firms might give to the narrative a degree of natural continuity and cohesion which my own effort could hardly have given, and, secondly, that a subject too often conceived in terms of abstractions or balance sheets might gain by being conceived, for once, in terms of personal relationships.

Briefly, the evidence indicated that by the second decade of the eighteenth century the Dutch merchants engaged in trade with England were meeting obstacles and rivalries which reduced their profits and encouraged them to emphasise the financial elements in their business. The most important branch of these financial developments was a growing technique of international lending between Holland and England, which, in spite of fundamental differences, foreshadows the international finance of the nineteenth century. These financial undertakings had important results in both countries. In Holland we see the results of financial gambling in a succession of economic crises which helped subtly to undermine the position of Amsterdam. In England, Dutch financiers, with their knowledge of the financial resources of their country and the ability to use them, were indispensable to the British Government for the conduct of its European wars.

To produce an adequate list of acknowledgments would be even more difficult than to compile a satisfactory bibliography, and I have not even dared to attempt the latter. A few of those who have helped me, however, must be mentioned, and first must come my friends in Holland, with whom I was still in contact up to the time when their peaceful country was invaded. My thanks are due above all to Dr Johannes Westermann, who at all times gave me the benefit of his advice and experience. To Professor Posthumus, who introduced me to the *Economisch-Historische Bibliotheek* and the *Nederlandsch-Economisch Archief*, and his assistants Miss Jacob and Miss van der Heyden, who were always ready to help me, I owe sincere thanks. Dr de Bussy gave me the run of the *Gemeente Archief*, Amsterdam, where the staff—and in particular Simon Hart—gave me every assistance. Lastly, Dr van Dillen was always ready to advise me on points of banking and finance.

Those in England to whom my thanks are due include the authorities at the British Museum, the Public Record Office, Somerset House, and the Marshall Library, Cambridge. At

Cambridge, Dr Clapham has kept a friendly and critical eye on my research throughout its course, and others who have helped me in various ways with encouragement and criticism are Edward Welbourne, C. W. Guillebaud and Bernard Manning. Mrs Butterfield of Kingston, Jamaica, was kind enough to examine the Jamaica Chancery Records for me. Lord Huntingfield and the Hon. Andrew Vanneck have been most generous in allowing me to use documents relating to the Vanneck family and to reproduce the portraits of Gerard and Joshua van Neck. I should also like to thank the staff of the University Press for the trouble which they have taken. Lastly, I must express my gratitude to my wife, who has helped me at all times, and who, during the later stages when war duties left me very little time or opportunity to complete this book, read the proofs and compiled the index.

C. H. W.

1940

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¹ Wherever literal translations from Dutch sources are used, the reference mark * is used.

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PART I

CHAPTER I

DUTCH COMMERCE: ORGANISATION AND CHANGE

(i) *The Economic Structure of Amsterdam*

“Hence Amsterdam, Turk, Christian, Pagan, Jew,
Staple of sects and mint of schisme grew:
That bank of conscience, where not one so strange
Opinion but finds credit and exchange.”

ANDREW MARVELL, *Character of Holland*.

DURING the seventeenth century and part of the eighteenth, when conditions made direct, bilateral trading between nations difficult or impossible, the bulk of European trade was organised on a multilateral system of which Amsterdam was the headquarters. Here converged the trading routes which made up the system, and, as the centre of this web of commerce, Amsterdam became the entrepôt where the merchandise of the world was brought, unloaded, warehoused, and ultimately redistributed. This position was achieved in spite of—it might almost be said because of—the natural poverty of the Netherlands. The Dutch had had to look to the sea and to the fisheries which were universally described as “The Dutch Gold Mine”. A vast trading fleet, a powerful navy and colonial settlements followed. Finally, there grew up an enormous carrying trade which owed its existence largely to the geographical situation of Holland, lying midway between north and south Europe. The Dutch carriers were indispensable while the rest of the world was still in the early stages of commercial development, and the intricate commercial and financial organisation of Amsterdam threw into strong relief the predominantly agrarian character of most other European countries. Commercially undeveloped regions like Spain, Russia, Sweden and Prussia, needed the Dutch boats and the Dutch merchants. It was necessary that there should be a European market

where supply and demand could be centralised, and where payments could be made: a market where the prospective buyer knew that he could find the producer or his agent, and where the producer could always find a customer: where commodity prices and freightage charges could be stabilised, and where a clearing house for debt settlements between European traders could be established. Everything pointed to Amsterdam, which in 1700 was the staple market about which international trade and finance revolved.¹

Defoe put the position in a nutshell:

The Dutch must be understood as they really are, the *Carriers of the World*, the middle Persons in Trade, the Factors and Brokers of Europe: that, as is said above, they *buy to sell* again, *take in to send out*: and the Greatest Part of their vast Commerce consists in being supply'd from all Parts of the World, that they may supply all the world again.²

Geography and natural aptitude played their part, but the thing which most impressed observers in those states which still groaned under mercantile restrictions, was the comparative freedom of Dutch trade. It was a free trade conditioned by the requirements of an entrepôt system, and enabled by the fact that trading interests controlled government, preferring a sound economic policy to the fiscal considerations which were too often the deciding factor elsewhere. It is true that as conditions changed, the alliance of government and the staple trade probably obstructed progress,³ but at this time it was rightly envied by foreigners. Bishop Huet, the Bishop of Avranches who combined an ecclesiastical bias for economic history with an admiration for the Dutch, rare in a Frenchman, wrote his *Memoirs of the Dutch Trade* (1698) specifically to set the Dutch example firmly before the eyes of French traders, because, he says, "it is very visible that we have failed very much in our Projects of Commerce, in not

¹ Dr T. P. van der Kooy, *Hollands Stapelmarkt en Haar Verval* (H. J. Paris: Amsterdam, 1931), chaps. I and II.

² Daniel Defoe, *A Plan of the English Commerce* (1728), p. 192.

³ See *infra*, pp. 17-27.

well knowing and considering the Nature of that of our Neighbours".¹ English traders, too, had made fair progress, but nothing could come up to what the Dutch had done—"This famous Republick has, notwithstanding the wars, extended her Trade over All Parts of the World, where she has and still does, maintain it with such Prudent Conduct and Considerable Authority, that she may serve as a model for all other Trading Nations."² Still more strangely came praise from Spain, in the *Theory and Practice of Commerce and Maritime Affairs* by Don Geronymo de Uztariz, prefaced by the Approbation of Father Joachim Villereal, of the Society of Jesus and its acting Procurator-General of the Province of Chili. Uztariz remarked that "it is notorious that in spite of a small sandy district—they singly carry on more Trade in all the four quarters of the world, than the Great Powers of France and England united", and he commends that Spain should follow Holland's example in freeing commerce from monopolies and restrictions.

So while England had been quarrelling with the Hanse and cramping her trade to suit the exigencies of royal finance, Holland had been completing her sea-works and appropriating the carrying trade between east and west Europe.³ Only the collapse of Antwerp in 1585 and the closing of the Scheldt were necessary to set the seal on her claim to be the centre of international trade. Toleration was part of her scheme of freedom; Jews were relatively well treated, and refugees from the religious troubles of England, France and Germany had flocked to Amsterdam. The Dutch were expert freighters, "just and faithful in giving a good account of all they are entrusted with".⁴ More important still, their freight charges were lower than those of anybody else. "This makes other nations willing to employ Dutch Ships."⁵ For ex-

¹ Huet, *Memoirs of the Dutch Trade* (translated into English about 1700), pp. 11-12.

² *Ibid.* p. 21.

³ E. Power and M. Postan, *Studies in English Trade in the Fifteenth Century*, p. 95.

Huet, *op. cit.* p. 32.

⁵ *Ibid.* p. 32.

perience had taught them how to equip a vessel with eighteen hands, as against a crew of twenty-six or thirty employed by ships of other nations.¹ In every branch of world trade, Dutch shipping held the monopoly at the beginning of the eighteenth century. Even English goods were exported to France in Dutch boats by way of Holland, and then sent by land from Flanders to France.² The only exceptions to this rule were a few ships from Sweden, Denmark and the Hanse towns, which came south to trade directly in fruit and merchandise, and a few ships from southern Europe which traded to the north on their own account. Otherwise, trade went through Amsterdam.³

The English Navigation Acts had aimed a heavy blow at the Dutch trade, but it was softened by three factors. First, the clause of the Treaty of Breda (1667) which conceded that goods coming from the natural hinterland of Holland should be regarded as Dutch goods. These came up the Rhine to Dordrecht.⁴ In addition, goods from the markets of Leipzig and Frankfurt were also stapled at Amsterdam and exported to England in Dutch bottoms. Linens from this hinterland escaped the provisions of the Acts, whether they were bleached in Holland or not. If they were treated at the Haarlem bleacheries, their status was put beyond doubt. Since linens made up the bulk of the Dutch exports to England, the Haarlem industry was not only a source of profit, but also an economic and even political weapon of some importance. Secondly, the Act was circumvented by exceptions which were freely granted, particularly in war years. Thirdly, the close connections which existed between certain Dutch and English exporting firms in the eighteenth century made it possible for Dutch firms to transfer vessels to their English branch houses. Several of the biggest firms of Amsterdam—van Necks, van Nottens, de Neufvilles, Cliffords, Barings, Hopes,

¹ I. de Pinto, *De la Jalousie de Commerce* (1771), p. 256.

² Charles King, *The British Merchant* (1721), I, 374-5.

³ G. de Uztariz, *Theory and Practice of Commerce and Maritime Affairs*, p. 160.

⁴ Macpherson, *Annals of Commerce*, II, 531.

Van Lenneps—had London branches.¹ Thus the Acts were increasingly circumvented, and the names of ships and captains engaged in the trade between, for example, de Neufvilles of Amsterdam, and van Hemerts of London, were mainly Dutch.² In spite of the Navigation Acts, therefore, the Dutch intermediary trade remained pretty well intact at the beginning of the eighteenth century.

The intermediary trade was divided into a number of branches. There was the northern trade with Russia and Norway. Two squadrons a year were convoyed from Amsterdam to Archangel—a small one of four to six ships which left in June and returned in September, and a big one of thirty to thirty-four ships which left in July and returned in October.³ In Norway, the Dutch controlled the entire timber trade after the Timber Treaty of the Hague in 1669, and Dutch boats trafficked between Bergen, Dronheim (i.e. Trondhjem) and Copernick and Amsterdam.⁴ The Baltic trade with Sweden, Denmark, Mecklenburg, Pomerania, Prussia, Poland, Courland and Livonia, kept another thousand ships busy. In Sweden, the Dutch controlled the copper trade by advancing capital to the farmers of the mines. Copper was sold as cheaply in Amsterdam as in Sweden: and from the time of Gustavus Adolphus, the Swedish King borrowed money and bought arms from the Dutch capitalists—the de Geers and the Trips. In return, they got concessions to work mines, iron foundries and cannon works.⁵

Grain from the north, which was one of the bulkiest imports to Holland, was redistributed to France, Italy, Spain, Portugal, and Flanders; timber was used at Sardam, the “village of carpenters”, where the Dutch shipbuilding in-

¹ See chap. II (iii), p. 45.

² E.g. in September 1750, the *Hoop*, a Dutch vessel insured at Amsterdam (Captain Harman Dirks), was forced aground at Anderby, on the Lincolnshire coast; she was found to contain a valuable cargo of tobacco and rice, which she was carrying from England to Holland (Arch. Brants, 374: Letters de Neufville—Van Hemert, 12–30 Oct. 1750).

³ Huet, *op. cit.* p. 37.

⁴ *Ibid.* p. 41.

⁵ Dr J. G. van Dillen, *Het Economisch Leven der Zeven Provinciën*, p. 3633.

dustry was centred; a good deal was re-exported, as was most hemp and flax, and metal. Furs and leather went to Spain, Africa, England, and the Indies. Caviare, amber, wax, pitch and tar and ammunition went all over the world. Northwards the Dutch took mainly spices, wines and spirits ("of these liquors there is a prodigious consumption in Prussia"¹), textiles and bullion, which was necessary to balance the surplus of exports over imports from the north. Dutch dollars were familiar in the north where, said Huet, "they go current and are very much esteemed".² It was essential for the Dutch that the flow of bullion should be free, and after 1648 more bullion than ever flowed to Amsterdam from Cadiz. They could give larger credits than anyone else, and every autumn a fleet of thirty to fifty ships came to Amsterdam, carrying silver, gold dust, bars of gold and silver, doubloons, and pearls. In 1700, their monopoly was still more or less intact, and gold ducats, rix dollars and lion crowns streamed to Russia and the Indies.³

In Germany, trade centred at Hamburg and Bremen at the mouths of the Elbe and the Weser and at Cologne and Coblenz (for the Rhineland), and here the Dutch had defended local liberties against the Danes and the Swedes, and by force and persuasion kept tariffs low. They were the principal buyers at the two annual fairs at Frankfurt.

From Antwerp and Brussels came fine laces and threads, and the best tapestries of Europe: Ghent and Bruges sent fine linens and serges. From Juliers came "Gulix" linens and flax. From Spain, wines and fine wool. From Lisbon, tobacco, and sugar from Brazil. From Italy came silks and velvets, satins and damasks. At Aleppo and Smyrna, the Dutch merchants met the Persian caravans bringing silks and camel hair, cottons, calicoes and fine leathers. From France, fine textiles, wines, and all the trappings, material and social,

¹ Huet, *op. cit.* p. 47.

² *Ibid.* p. 50.

³ The Anglo-Portuguese Methuen Treaty of 1703, however, had the effect of redirecting the gold stream from Brazil to London (van Dillen, *Jaarboekje* 1928, Departement Amsterdam der Nederlandsche Maatschappij voor Nijverheid en Handel, p. 72).

of eighteenth-century society. Lastly, there was the trade with the Indies, where the Dutch had replaced the Portuguese, who, says Huet, "were disliked for the indiscreet zeal of their missionaries".¹ The fleets left Batavia and Ceylon in December and January for the Cape, arriving in Holland in July and August. There were two yearly auctions of the goods, half of which were sold in Amsterdam. Spices—cloves, nutmegs, cinnamon, pepper and ginger—were the basis and, so to speak, the currency of the East Indian trade: silk, cotton, tea, indigo, sugar and saltpetre were important. In the West Indies there was a flourishing trade in sugar, tobacco and slaves, and the loss of the Brazilian sugar trade was counterbalanced by the development of sugar plantations in Surinam, Berbice, and Essequibo; about 1750 it was believed that their production equalled, if it did not exceed, the previous Brazilian output.²

Exports to Holland were, for the larger part of the eighteenth century, the biggest item on the British export account:³ the bulk of them were fine cloths, which went from the west country ports, and from Norfolk, and from London, and a few coarser woollens from Yorkshire, to Rotterdam, whose importance steadily increased during the century. The harbour was "always filled with ships and vessels from London, Yarmouth, and the other ports of Norfolk, and from Newcastle, Shields, Hull, Whitehaven, Liverpool, Bristol, Topham, and the most considerable ports of Ireland and Scotland".⁴ Defoe speaks of "the Incredible Vent for the woollen manufactures of England, which is now actually in Holland, as well at Rotterdam as at Amsterdam: and from thence it is sent to all the Provinces and Counties of Germany: which, as I have said above, is said to amount to above two Million sterling per annum".⁵

¹ Huet, *op. cit.* p. 123.

² *Candid and Impartial Considerations on the Nature of the Sugar Trade* (1763), p. 15. (Pryme Collection, Marshall Library, Cambridge.)

³ See annual returns quoted by Macpherson, *op. cit.*

⁴ O. Burrish, *Batavia Illustrata* (1728), pp. 370-5.

⁵ Defoe, *A Plan of the English Commerce*, p. 163.

Amsterdam also took a large proportion of the re-exports of British colonial goods—tobacco, tea, rice, coffee and some sugar. Dutch houses regularly appointed representatives to buy for them at the London auctions of the East India Company, and joined with London houses in speculations. It was estimated, for example, that Holland took one-third of the total tobacco imports from the British West Indies.¹ Then there was a fluctuating export of grain from Yarmouth and London to the great reservoir at Amsterdam.² Some lead, tin and coal went from Newcastle, from Scotland, worsted stockings and hides, and from Ireland, butter, tallow, hides and “pickled beef in barrels”.³

In this direction then, the function of Amsterdam was to redistribute British cloth and British colonial goods to the rest of Europe. In the reverse direction, its function was to distribute German linens, which were sent to Haarlem to be bleached, to England, which imported all her finer linens. Defoe noted that the consumption of foreign linens was “a prodigy”,⁴ and about the middle of the century a writer observed that “the young men, who were at this time growing more nice, got linens from Holland for shirts, but the old ones were satisfied with necks and sleeves of the fine, which were put on loose above the country cloth”.⁵

If the basis of Dutch strength lay in the carrying trade, it was through their monopoly of marketing, and the stapling functions of Amsterdam, that their biggest profits were made. It was considered of the greatest importance that the goods should actually enter Holland, and be stapled at Amsterdam: that was the ideal of the Dutch merchant, which persisted right into the nineteenth century in spite of developments

¹ Burrish, *op. cit.* pp. 377–8. The Amsterdam firm of de Neufvilles imported regularly from van Hemerts and other London firms (Arch. Brants, 374).

² Time bargains were first developed in the grain and herring trades.

³ Burrish, *op. cit.* pp. 373, 377–80.

⁴ Defoe, *A Plan of the English Commerce*, p. 206.

⁵ Quoted in H. Fox Bourne, *English Merchants* (London, 1866), II, 224.

which made this process impossible and unnecessary.¹ One of the constant complaints of the older merchants during the latter half of the eighteenth century was that the Dutch were being reduced to mere shipping agents or expeditors, who no longer intruded into the actual exchange transactions of goods. In the earlier part of the century, however, the greater part of the merchandise handled was imported and stapled in the innumerable warehouses for which Amsterdam was famous, to await a customer and re-export. Generally speaking, there were two ways in which the distribution was done: either the Dutch merchants bought on their own account, or found customers for the foreign producer on a commission basis. By the first process a merchant bought, for example, wool from Spain and imported it. This merchant, known as a "First Hand" merchant, then sold it to a "Second Hand" merchant who stapled it until it was sold to a foreign buyer, or retailer. The division into First Hand and Second Hand functions was only a theoretical analysis: for example, a First Hand wool importer from Spain might be a Second Hand exporter of lead or iron or tobacco to that country.

The commission agent, was, however, the real representative of the intermediary trade. The commission agent *A* imported goods from the producer *B* who charged him to find a customer (*B* remaining the owner of the goods). *A* then sold all or part of the consignment to *C* and informed *B*, who sent a bill to *C* and received payment. *A* then got a percentage commission. During the eighteenth century the system of advance part-payments developed. The producer who sent his goods to be sold on commission received, say, three-quarters of a likely price (always kept at a safe low level) from the commission agent, who received a moderate interest as his advance until the goods were actually sold.² This was a profitable game for a merchant with funds to invest, and was

¹ van der Kooy, *op. cit.* pp. 67, 68.

² J. B. Manger, *Recherches sur les Relations Économiques entre la France et la Hollande 1785-95* (Paris, 1923), p. 45. French *toiles* from Cholu and Beauvais were sold in this way. It is uncertain how general the practice was.

common in several branches of trade, particularly in textile imports. The commission agent invested his capital at interest: on a good sale he made a marginal profit as well as commission: on a bad sale the loss was borne by the owner, who also paid freight and insurance charges. By laying out, say, 75 guilders, he commanded a temporary stock worth one hundred guilders: so he could well afford to keep a wider and better selection of goods than the merchant who bought on his own account and risk, and had to keep a careful eye on sale prospects. The function of the commission agent in this case was as much a credit-giving as a trading function. In itself the change did not mean the inevitable decline of real trade. Many commission agents were still engaged in active trading operations, and merchandise still poured into Amsterdam in the thirties and again during the war years 1756-63. But while this method of trade undoubtedly reduced the short-period risks run by the individual merchant, it did render the economic structure less stable for the trading community in general and over a long period. It was a slippery slope which led from the commission business proper to shipping agency, cargadooring and the acceptance credit business. The slope from banking into speculation and gambling was even greasier, as events proved. For in the eighteenth century distances of space and time were big, and the margin of error in measurements and quality was greater than to-day when goods are standardised, and photography and advertisement go hand in hand. Trading on samples was then a dangerous business, and the commercial correspondence of the period shows how unsatisfactory and expensive indirect commercial relationships were.¹ As the commission trade became increasingly indirect, the element of uncertainty and fraud became stronger: producer, commission agent and buyer—each suspected the other—and when the opportunity to trade directly was offered it was snapped up. Only a small shift of balance was required to send English merchants off

¹ See chap. II (ii and iv) for the correspondence of the west country merchants with David Leeuw of Amsterdam.

to Russia, to Leghorn, and Hamburg to do their own exporting directly to London.¹ In the first half of the eighteenth century, however, the seasonal auctions still attracted crowds of foreign visitors to Amsterdam, where the commission trade still absorbed all the enormous margin of goods which were not already directed to any particular destination. There the goods remained in the Amsterdam warehouse until the customer turned up or prices rose.²

Speculative transactions in goods were done on the Bourse, which was built between 1609 and 1611 on the model of the Bourse at Antwerp which it had come to replace at the end of the sixteenth century. Here time bargains were carried out, first in grain and herrings, then in colonial goods, and later in securities. Commodity and security business was all carried on on the one Bourse. A weekly price courant for commodities began in about 1613, the price courant for securities a little over a century later.³ Ricard, in his *Traité Général du Commerce*, gives an example of a speculative transaction in brandy in the eighteenth century.⁴

Suppose I buy 25 kegs of brandy from *A* at £8 and sell to *B* for £8½, then *B* sells these to *C* for £8¼ and *C* again to *D* for £8¼. On payment day I write a ticket—whereby I ask *A* to supply *B* with 25 kegs of brandy which he has sold me according to the contract of such-and-such a date, at £8½ and to pay me the surplus. *B* endorses the ticket to *C* with a similar request, and *C* again to *D* until the last buyer receives 25 kegs of brandy from *A*, and settles with him.

About the time of the building of the Bourse there were indications that the terminal system was being transferred to speculation in securities—the shares of the Dutch East India Company, and particularly those of the Amsterdam Chamber

¹ See pp. 44–45, for the activities of Jacob Bosanquet in Hamburg.

² Manger, *op. cit.* p. 42.

³ van Dillen, "Termijnhandel te Amsterdam in de 16de en 17de Eeuw" (*Economist*, 1927); also his article "Effectenkoersen op de Amsterdamsche Beurs" (*Economisch-Historisch Jaarboek*, vol. xvii, 1931).

⁴ Quoted by M. F. J. Smith, *Tijd Affaires in Effecten aan de Amsterdamsche Beurs* (Nijhoff, 1917), p. 141.

of the Company. In 1609, one Isaac le Maire and eight others secretly formed a Company to deal in the shares of the East India Company "for their common profit".¹ Shares fell rapidly and the Directors complained that speculation "*à la baisse*" was responsible.² In February 1610, selling "*in blanco*" was prohibited, and it was stipulated that shares which were sold must be transferred to the purchaser a month after the sale at the latest.³ By 1630, then, most of the elements of a speculative terminal market in shares were already present on the Amsterdam Bourse. Speculators commonly sold shares which they did not possess at the time of sale, and surpluses were settled up on *rescontre* (settling day). This only became a regular feature in the second half of the seventeenth century. When de la Vega wrote his *Confusion de Confusiones*—perhaps the most brilliant description of life on the Bourse—in 1688, there was a monthly *rescontre*, but during the eighteenth century it took place every three months—February, May, August and November.⁴

The brokers (*Makelaars*) were not a body of very high standing as yet, and were considered the social inferiors of the ordinary merchants. From very early, Jews were allowed in their guild, and one of the important developments of the eighteenth century is the way in which they came to dominate this guild. Nicolaas Muys van Holy, writing in 1687, complained that the share-market was overrun by Portuguese Jews, who had the advantage of international connections, and a rapid news service.⁵ On a *rescontre* notice for 1764, thirty-seven out of the forty-one signatures were those of Portuguese Jews.⁶ Ashkenazic Jews, on the other hand, were prominent in the gold trade. It is possible to detect amongst the older merchants some feeling against this peculiarly speculative outlook of the Portuguese Jews, and *De Koopman*,

¹ van Dillen, "Isaac le Maire et le Commerce des Actions de la Compagnie des Indes Orientales" (Extrait de la *Revue d'Histoire Moderne*, Janvier-Février et Mars-Mai 1935, p. 25).

² *Ibid.* p. 20.

³ *Ibid.* p. 25.

⁴ van Dillen, *Economisch-Historisch Jaarboek*, vol. xvii, 1931.

Smith, *op. cit.* pp. 73-80.

⁶ *Ibid.* p. 143.

an eighteenth-century bulletin of Dutch commercial life, said in 1774 that Portuguese Jewry had completely forsaken trade in order to take up gambling on the share-market.¹

The Dutch monopoly of shipping combined with this highly developed business and financial technique to make the Amsterdam Bourse the hub of world commerce and finance in the seventeenth and in the early eighteenth centuries. A contemporary writer noted in 1709 that the Bourse, although large, had become too small for the vast concourse of merchants who gathered there for business, and that there was some talk of enlarging it. Stock Exchange etiquette had already turned the Bourse into an exclusive institution, to which only members could gain entrance.² Forty-six numbered pillars formed arcades round an open court, and the spaces between them were the permanent meeting places of particular groups of merchants. On the left side, between pillars four and five stood the tobacco merchants; Curaçao and West Indian merchants between six and seven. In the other spaces were exporters to Cadiz and the Canaries, silk manufacturers, spice traders, jewel merchants, meat vendors, Russia merchants, and many others. Elsewhere in the Bourse there was an information bureau where members could find the names and addresses of prominent foreign merchants; another bureau kept the names of the captains of vessels sailing to all ports of the world. The brokers in securities occupied the end of the Bourse, and at a conveniently short distance, in the Kalverstraat, was the Café François; this was a kind of post office where the English letters were distributed, bringing news of trade, and more particularly, news of the English Funds. In times of boom or crisis, the Café filled with excited speculators and brokers waiting for news; for the English post came by fishing smack, and, unlike the land posts from the other parts of Europe, "n'est pas réglée et dépend du Vent".³ During the South Sea crisis in 1720, this

¹ Quoted *infra*, p. 179.

² *Le Guide d'Amsterdam* (chez P. de la Feuille, 1709), p. 92.

³ *Le Guide d'Amsterdam* (1720), p. 40.

district was the scene of wild excitement unsurpassed in London itself; for here, as much as in Change Alley itself, was the home of speculation in the British Funds.

(ii) *Changes in Dutch Trade after 1730*

Historians have always been tempted to believe that political, economic, and artistic decline were parts of a single process by which Holland disappeared from the ranks of the great European powers. It is difficult, however, in view of recent research not to conclude that real economic decline was postponed until after the middle of the eighteenth century. It is true that the van Tromps and the de Ruyters had gone and the navy had fallen into disgraceful disrepair. The bravura phase was over, and with it went the consciousness of martyrdom, as well as the heroism of the Rebellion and the pomp and swagger of the fighting Admirals of the Anglo-Dutch sea wars. The Golden Age of Dutch painting had ended, and Holland was invaded by foreign manners and foreign clothes. It is, however, incorrect to assume that because life in Holland was after 1713 enlivened neither by brush nor broomstick, and because it was governed by a clique of political mediocrities, it became economically negligible. This is a fallacy for which English history is largely indebted to Sir William Temple, who wrote of the Dutch in 1672 "... I am of opinion that Trade has for some years ago past its Meridian and begun sensibly to decay among them".¹ And Englishmen were only too glad to grasp at any evidence of the decline of their most formidable rival, particularly after the disasters of 1665. It is now clear that what Temple saw was not the beginning of a permanent diminution of Dutch trade, but merely a temporary recession, which was over by 1680. Recent research into the condition of the Wisselbank and the figures of the export and import duties, makes it clear that the old view—that the peak of Dutch prosperity was reached in 1648 and that thereafter a decline set in—is untenable. It seems that about 1680, a fresh period of growth and development began

¹ Temple, *Observations on the United Provinces* (London, 1673), p. 214.

which lasted for another fifty years. The accounts of the Convoy and Licence duties, which have been dealt with up to 1715, show that although the figures for the bumper years 1698 and 1699 were not reached again during the war period, there is no evidence of general decline.¹ Nor did Temple have to wait long to be corrected: Mandeville wrote in 1714 that the Dutch had more shipping and more ready money than the English. Holland was a land of luxury and prosperity, though it was true that

the nation... was never in greater straits than in the year 1671, and the beginning of 1672. What we know of their economy and constitution with any certainty has been chiefly owing to Sir William Temple, whose observations upon their manners and government... were made about that time. The Dutch indeed were then very frugal, but since those days, a great alteration has been made among the better sort of people in their equipages, entertainments, and whole manner of living.²

There was no serious decline of trade, then, until about 1730, though it is true that Dutch economic activities were becoming more obscure, because more financial. There was a boom between 1756 and 1763, when Holland benefited to the full from her neutrality, and in spite of the major crises of 1763 and 1773, only the final tragedy of the English war was really fatal. The eclipse of Holland in the eighteenth century seems to proceed mainly from two sources. In the first place it was inevitable that as seaways became safer and ships larger, and as other nations began to acquire their own mercantile marines, direct trading relations should be established between countries which had previously used Holland as entrepôt. The second was not so fundamental: it was that government policy on trade failed to adapt itself to changing conditions. The intermediary functions required of the Dutch

¹ H. E. Becht, *Statistische Gegevens Betreffende Den Handelsomzet van de Republiek der Vereenigde Nederlanden Gedurende de 17de Eeuw (1579-1715)*: Appendix, Tables 1-3. Also van Dillen, "Handel en Nijverheid van Amsterdam in de 18de Eeuw" (*Jaarboekje* 1928, Departement Amsterdam der Nederlandsche Maatschappij voor Nijverheid en Handel, pp. 59-60).

² Mandeville, *Fable of the Bees* (1795 ed.), pp. 110-11.

by the old multilateral system were no longer required, but the merchant regents continued to attempt to force trade into its old channels by refusing to grant specially low transit duties—a policy which probably drove trade away.¹ Again, the industrialists of Holland were not strong enough to force their claims for tariffs and subsidies against the traditional ideas and interests, and the accumulated wealth and prestige of the older merchants. So while the British Government was deciding to pay a bounty on the exportation of linens, the Haarlem linen bleach industry was decaying, and at the very time when Dutch industry should have been capitalised and protected, the capital which should have been absorbed at home was driven abroad to find higher rates of interest, particularly in England. An English observer remarked that every sort of speculation had been tried eagerly—"Commerce, colonial purchases, loans and traffic, loans to foreign governments and merchants, and to individuals in foreign countries".² Every kind of speculation was tried, except home industry.

After 1730 it became increasingly clear that Holland's staple trade was being seriously impeded by the growth of new trading relationships elsewhere in Europe: this stagnation of trade, which is clearly reflected in the accounts of Neufvilles and the London business houses trading with them, became more serious in the forties, and in 1751, de Larrey, who on more than one occasion had done valuable work as economic adviser to Willem IV, collected evidence and opinions from a number of the largest commercial houses in Amsterdam. From this evidence was constructed the "Propositie",³ which attempted a comprehensive survey of the factors in this economic decline and put forward a number of suggested reforms by which trade might be stimulated. The Propositions

¹ van der Kooy, *op. cit.* pp. 57-63.

² Brougham, *An Enquiry into the Colonial Policy of the European Powers* (1803), p. 296.

³ Reprinted in translation in J. R. McCulloch's *Select Tracts on Commerce* (1859) as "Amending the Trade of the Republic".

were presented to the States-General on 27 August 1751¹ by the Stadtholder, who announced that nothing had caused him such anxiety as to hear the daily complaints of the decay of trade in the Netherlands, and the enormous progress made by others in what was previously a Dutch monopoly.

On the decline of trade, the analysis tallies with the facts of the correspondence examined in this study,² and with the observations of contemporary writers: the fact was that for about twenty-five years or more, business had been "remarkably diminished", and in some cases completely lost to foreign competitors. And the chief cause of all this was, the authors believed, "the adopting of our political maxims in trade by foreign powers", which meant that direct trading relations were established between countries which had previously used the intermediary services of the Dutch traders, commission agents and shippers. As a result, the intermediary trade now only flourished in its old prosperity in war time—as, for example, in 1739 and 1743, when the three previous biggest customers of Holland, England, France and Spain, were unable to deal directly with one another and so reverted to the old system of indirect trading. In normal times, however, hemp and flax were now carried to Spain, Portugal and France in boats belonging to those countries, and Germany was ordering directly from England, France, Spain, Portugal and Italy through Hamburg traders. This growth of German competition, particularly for colonial goods, was seen from the figures for exports of sugar, indigo and coffee from Nantes and Bordeaux: all these exports had once gone to Amsterdam: now, only a quarter went there and three-quarters went to Hamburg. The Levant trade was dwindling, and there were no longer any Dutch business houses in Spain. Not only trade, but industry had diminished. Independent industries like the textile industry were no longer of first importance, and the Leiden cloth trade, deprived of wool, was drifting to Lim-

¹ P. J. Blok, *Geschiedenis van het Nederlandsche Volk*, vi, 249-51.

² See *infra*, chap. II *passim*.

bourg, Liège, Juliers and Aachen.¹ The Dutch no longer had a monopoly in the fisheries, and the Propositions gloomily predicted the decline of the herring, cod and whale fisheries. Industries dependent on the staple market—finishing or refining industries, like the dyeing industry at Amsterdam, the bleaching houses at Haarlem, the sugar refineries and gin distilleries—were all alike feeling the pinch.

In this decline, perhaps the most important factor was the British drive to develop industry and trade under the stimulus of Government protection and subsidy. The Propositions dated Dutch decline (wrongly, as it happened) from two early measures—the prohibition on the export of raw wool from Britain, and the Navigation Acts. “It is now”, they said, “a full century from the time of their beginning to make new laws and regulations, tending to the drawing-off the Trade of the Republick to themselves.” The Navigation Acts were “the deepest and most fatal wound”. The compliment to the efficacy of economic legislation was ill-deserved. The Acts may possibly have done some little temporary damage, but it was negligible, and even this was counterbalanced by its effects in the Baltic, where its secondary results were to give the Dutch a monopoly of shipping until late in the eighteenth century. Britain’s trading connections were still, in the seventeenth century, too undeveloped for the Navigation Acts to undermine Amsterdam’s position as the centre of world trade. Even in 1721, the bulk of British trade with France went in Dutch boats, and critics like Charles King, the author of *The British Merchant*, were asking why British goods could not go directly to France, instead of through Holland. Under this system, British goods paid duties on importation into Holland and on exportation from Holland; they paid again in their passage to France, upon the Rhine and Meuse, and another impost on entering France. On top of these charges came the Dutch merchant’s commission charges, plus profits. “Why should we imagine then”, wrote King, “that our goods had not come cheaper to Champaign,

¹ Also Sérionne, *La Commerce de la Hollande* (1763), II, 63.

Metz, and other French countries near the Meuse and Rhine, if we had first landed them at Rouen, and paid the single duty of that City?"¹ It was not the Navigation Acts, but the natural growth of British trade, industry and shipping of which the Navigation Acts were only a premature indication, which was affecting the Dutch traders. And what was going on in England was only an extreme example of what was tending to happen everywhere.

The Propositions refused to admit, however, that the Dutch traders must inevitably become superfluous; their remedy to recover their lost trade was by an alteration of the Dutch tariff system: it was, briefly, to make Amsterdam a "limited free port", and the authors of the Propositions were not without precedent when they declared that the solution of the present troubles was "by a diminution of duties on goods imported and exported, particularly the latter, and the impost on them". The trade which was really advantageous to Holland was "the buying and exporting of imported foreign goods and merchandise", and it should be the aim of commercial policy to encourage this. Holland's tariffs were based on the moderate *Plakaat* of 1725, and Holland was, to the other tariff-burdened countries of Europe, the home of free trade, or the nearest approach to it in the eighteenth-century commercial world. Adam Smith commented that Holland approached nearest to the character of a free-trade country "though still very remote from it".² Duties were of two sorts—fiscal and protective—the former being by far the more important. The wars of the seventeenth century had involved heavy expenditure on arms, and duties and imposts had been increased to sustain expenses and provide interest on state debts.³ The amount of protection afforded to industry was small. The Leiden blanket industry was protected by a tariff on foreign blankets: the export of rags was forbidden in the interests of the paper industry, and the wool, pottery and cork industries all received some measure of protection.⁴

¹ Charles King, *op. cit.* I, 374–5. ² *Wealth of Nations* (4th ed.), p. 220.

³ Sérionne, *op. cit.* II, 50.

⁴ van der Kooy, *op. cit.* p. 53.

The idea of the free port, which formed the basis of the Propositions, combined the traditional view of the nature of Dutch trade with suggested remedies against the possibility that Hamburg might steal the thunder of Amsterdam. Hamburg was itself practically a free port; and while Dutch duties were comparatively low (usually 4 to 5 %) they compared with those of Hamburg in the ratio of about 5 : 1.¹ In 1738 the City Fathers of Amsterdam had produced a scheme to turn Amsterdam into a free port, but it had come to nothing: in the hard times which followed the Peace of Aix-la-Chapelle, the plan reappeared in the Propositions. It was true that duties had increased since 1650, and that this was partially responsible for an all-round increase in prices, and particularly in the price of raw materials and of labour.² The price of cloth, freights and shipbuilding all went up, and industry was hindered by high wages and foreign competition. For once, the staple merchants (rightly believing that their type of trade required the freest conditions for its prosperity) and the protectionist manufacturers were united in attempting to find an economic solution of their problems.

The Propositions are valuable not for their concrete results, but because they indicate how the stapling interests in Holland, refusing to face the real changes in the nature of international trade, over-rode any attempts to seek economic compensations in any other channels than those of the staple trade, and tried to explain Holland's difficulties by the old bogey—tariffs. It was, in fact, admitted that, ultimately, industry must be sacrificed to the staple trade. While the administration insisted that the revenue of the Admiralty must be maintained, and the industrialists wanted protection for local manufactures and fabrics, the staplers demanded that as much trade as possible should be freed from taxation. Eventually it was agreed that competitive manufactures should be highly taxed, goods consumed in Holland taxed next highest, and goods imported and re-exported should be freed

¹ Sérionne, *op. cit.* I, 75.

² Sérionne, *op. cit.* II, 50.

from taxation. Thus apparent agreement was reached between the various economic interests, but in fact the Propositions came to nothing. It proved impossible to reconcile the jarring interests of the staplers and manufacturers over tariffs, and both these groups were opposed to any concessions to the transit trade between England and the Rhine, which continued to pay full import and export duties.¹ The Colleges of Admiralty demanded revenue, the moving spirit in the scheme for a free port, the Stadtholder Willem IV, died, and lastly there was a trade revival stimulated by the Seven Years War. Thus the old economic arrangement was left intact. Dutch industry got no systematic protection and wilted under the competition of foreign, government-subsidised manufactures from Britain and France. In England, particularly, government trade policy took on the nature of an economic crusade against Holland. One by one, Dutch exports were whittled down—linens, woollens, cambrics, sail-cloths, pottery, gin—all were systematically excluded while rival factories were encouraged at home. A campaign to capture the various fisheries was carried on during the whole century, though with less success. The Dutch “Gold Mine” remained predominantly in Dutch hands and Goldsmith observed: “We have picked up very little Gold that I can learn: nor do we furnish the world with herrings as was expected.”² In 1800, the crusade for the fisheries was still unsuccessful, and Jepson Oddy was still urging Britain to capture the Dutch fishing as she had captured her other trades.³ Fish and dairy produce remained, however, Holland’s only real local export trade: the last chance of reserving and protecting a real industrial export business went with the failure of the Propositions. The rest of the eighteenth century only emphasised increasingly the truth of the statement made by the Amsterdam City Council in 1684—that the English had, in their crops and manufactures, a great source of commerce, compared with which the Dutch

¹ van der Kooy, *op. cit.* p. 58.

² A. M. Samuel, *The Herring*, p. 132.

³ J. Jepson Oddy, *European Commerce*, p. 522.

trade was completely artificial.¹ The figures for Anglo-Dutch trade illustrate this.

	1696-1697	1772-1773
Total imports to England	£3,483,000	£11,407,000
Of these from Holland came	507,000	412,000
Total exports from England	3,526,000	14,763,000
Of these to Holland went	1,462,000	1,874,000

In other words, Holland's share sank from 14.6 to 3.6 % in imports, and from 41.5 to 12.7 % in exports.² While the total volume of world trade everywhere increased, Holland's trade remained at about the same level. In some cases, Dutch merchants actually lost their old position, as in Russia, where in 1766 their trade was practically taken over by British merchants.³

The serious consequences of this attachment to the chimaera of the staple trade were not immediately obvious, partly because the artificial stimulus of war was constantly reviving what was actually a dying trading function, partly because the transition from the commission trade into credit banking was smooth, natural and profitable. Nor was this movement into money in itself in any way dangerous. Financial operations therefore grew rapidly as the diminution of active trading and the restrictions on colonial enterprise pushed capital into new financial channels—a development which was, however, viewed with heavy misgivings by the old-fashioned traders. The strength and weakness of the commission agent's position was its flexibility. On the one hand, it was a delicate and precarious occupation which suffered most from these shiftings of international trading connections. The Dutch commission agent was no longer indispensable to European trade and he came to occupy a more subordinate position in the national economy. His job was done by foreigners living in the new markets and ports, and eventually

¹ van der Kooy, *op. cit.* p. 42.

² van der Kooy, *op. cit.* pp. 35-6. Using figures from Le Long (*Le Moine d'Espine*).

³ Macpherson, *op. cit.* III, 454; Sérionne, *op. cit.* II, 57-61.

only his capital, and not his trading intervention, was required. But there was the other aspect of the commission trader's position. He could often use his knowledge of men and trade to turn himself into a banker dealing in acceptance and discount business, and the accusation was frequently brought against the merchant turned banker that it was these new credit and banking developments, with their fatal attraction of easy money, which caused the decay of the market and encouraged direct trading relations between the other nations. Merchants who drifted into finance were reproached with idleness and greed. There was, perhaps, a kernel of truth in the accusations: the habits of speculation which seem to have been developed by the Portuguese Jewish community in Holland may have done something to sap the old spirit of enterprise. But, more fundamentally, Holland in the eighteenth century was faced with the problem of a plethora of capital; even in the seventeenth century it was a well-known fact that the rate of interest in Holland had fallen lower than anywhere else in Europe. In the eighteenth century, the rate fell to $2\frac{1}{2}$ or 3 %, and Dutch money was constantly driven abroad in the search for new channels of investment.

Amsterdam and Rotterdam, and more particularly the former, as the headquarters of the commission trade, suffered most from the change in the nature of Dutch economic life, for by the middle of the century the shift of emphasis to banking, insurance, foreign investment and speculation was clear for all to see. Commission traders who were used to acting as acceptants for overseas suppliers were usually willing to put their capital at the foreigners' disposal in the form of acceptance credit, when their services were no longer required in the actual buying and selling. Many commission traders already made a practice of advancing part of an agreed price in cash to the owner of the goods before these were disposed of, taking interest on the advance as well as the commission fee for the sale.¹ A subsequent development was for the Dutch agent to abandon active trading and merely lend money to

¹ Manger, *op. cit.* p. 45.

foreign commission agents which they in turn advanced to traders.¹ These were clearly steps towards a more purely financial function. It was, in fact, only a small step from these stages where the Amsterdam commission trader made a forward advance of capital at interest (a banking function) to the stage where he acted as acceptant for bills drawn on the buyer by the owner. In this way, Dutch bankers came to finance a great part of world trade. A Bordeaux merchant wanting a consignment of hemp would order his agent in Königsberg to buy for him and to send the bill for payment to a Dutch house, which he indicated. He would then send the Dutch bank a copy of the order which he had sent to Königsberg, asking them to accept the bills which the Königsberg agent would draw on them as soon as the transaction was completed. In addition, he would probably order the Dutch house to have a vessel fitted out (if the Königsberg correspondent could not provide one) and to insure the cargo up to a stated value. The Dutch house would then write to Königsberg, sending a copy of these instructions and await a reply. When this arrived, with the bill, the Dutch banker accepted it, the ship was fitted out and the insurance completed. Finally, the Dutch firm would send the bill to Bordeaux, together with an account of freight and insurance charges, and would draw on the Bordeaux buyer for the whole sum involved. Similarly, a Danzig merchant might order his agent at Bordeaux to buy wine, coffee or indigo, and make payment through Amsterdam.² In such transactions, the Amsterdam house was concerned (apart from its financial services) with the transport business. More often, its function was purely financial. The commission business itself had largely shifted into local ports, and such commission business as remained was often controlled by foreign agents who bought for their respective countries. It was the custom of English firms to send out younger sons as agents or factors to foreign ports. So the Hopes, a Boston family of Scotch descent,

¹ Manger, *op. cit.* pp. 48-51.

² Ricard, *Traité Général*, I, 205.

removed to Holland and followed the normal procedure by going into money. Similarly, a colony of British merchants at Rotterdam controlled the English trade there.¹ As a specific example of indirect trading, the course of Anglo-Dutch trade in the first half of the eighteenth century reflects clearly the manifold difficulties facing the Dutch merchants.

¹ van der Kooy, *op. cit.* p. 21 (note).

CHAPTER II

ANGLO-DUTCH TRADE

(i) *The Social Background*

IN an age when the Dutch monopolised the shipping of Europe, it was inevitable that close trading connections should spring up between Holland and England: for the sea journey from Rotterdam, which controlled this branch of trade, to London, or Harwich, or Yarmouth, was easy and short. In fact, before the improvement in communications later in the century, it was easier for a London merchant to trade with Holland than with the remoter parts of his own country. To easy communication may be added the fact of political and dynastic alliance. In the first half of the eighteenth century there was a continuous trickle of Dutch immigrants into England, who maintained trading and financial contacts with their friends and relatives in Holland.

The correspondence and accounts of the merchants engaged in this trade reveal that business in the eighteenth century, like business in the Middle Ages, was still organised largely on the family principle. This applied particularly to international trade: the younger brother or son was sent by the merchant as factor or commission agent to look after the overseas branch of the business.¹ The tendency was even more marked after about 1720, when many Dutch firms also needed an attorney to look after their investments and speculations in London. Wherever possible a blood relation was appointed to take charge of important business.² Beyond this, personal relationships between merchants were supremely important in an age when personal contact was the chief guide in regulating credit transactions: and since the whole of this international trade was carried on by credit, it may be

¹ See *infra*, p. 110.

² See *infra*, p. 134.

said that the personal recommendation stood as the foundation of all international trade at this time. Merchants were careful to make contact with each other as frequently as possible. In the case of the bigger London firms, at all events, one partner would visit Amsterdam, in spring or autumn, when the linens were received from the Haarlem bleacheries, to do the year's buying and see

The slow canal, the yellow-blossomed vale,
The willow-tufted bank, the gliding sail....

In Holland he stayed as the guest of his business correspondent, in his house by the Heerengracht in Amsterdam, or perhaps at Haarlem, in an interior that might have been immortalised by Peter de Hoogh. To English travellers of the seventeenth century, Holland was the abominable rival, the Holland of Jan Steen, satirised by Butler and Marvell. To the eighteenth-century traveller, Holland was the home of "fine houses, elegant gardens, statues, grottos, vistas...", where there was no misery and everyone was usefully employed. And after a week or two there, the English merchant returned home with a selection of bulbs for his garden, a cheese or ham or two, as many bottles of Rhine wine or Dutch genever as he could smuggle through the Customs, and the determination to go again next year.¹ Mr Gilbert Allix wrote to de Neufvilles on behalf of his partner, who had just returned from Holland: "We profit of this opportunity to return you our humble thanks for all your kindness and Civilitys to him and his Company, and we will embrace all occasions to assure you of our acknowledgements."²

John Badcock was also a regular visitor. After his visit in November 1749, he wrote: "I am much obliged to you for your Civilitys in Holland and your kind wishes for my good voyage, but was so unlucky by the Packets sailing sooner than common to lose my Passage, and after waiting at Helvoet four days to have the worst I ever had."³

¹ Arch. Brants 372: J. N. Badcock, 19 July 1748.

² Arch. Brants 372: 30 Nov. 1731.

³ Arch. Brants 372: 12 Dec. 1749.

From the other side, Dutch merchants regularly visited London. De Neufvilles had several relatives in London, one of whom—Mathew—carried on business for the Amsterdam house. In the spring of 1753, the heirs of five large Amsterdam business houses, Messrs Charles de Neufville, van der Hoop, Barnards, Kops and van Lennep, visited London and stayed with the van Hemerts. John van Hemert wrote to Jan Isaac de Neufville on their departure, regretting that they had been recalled before the fine weather had really begun, and added: "We must say we have never seen such a quartet of sober and well-behaved young gentlemen."¹ The scope of these trading connections was constantly extended by personal recommendation, and there was an unofficial commercial intelligence service between merchants, taking the form of letters, like the following, which John Badcock wrote to de Neufvilles on 13 February 1750:

I have taken all opportunity to inquire about the Person you spoke to me about. In general he is reputed a Man of Good Character and Credit, he succeeded his Uncle in trade who died insolvent (*sic*).² It is reconed he had about four or five Thousand Pounds to begin with, and about 3 or 4 with his Wife, has no Children, keeps a Chariot, and has lately hired a Country House, But it is almost impossible here to know for Certain what the true Circumstances of Any Man is.³

Established customers recommended, introduced, and vouched for new clients and backed them with their own credit. Nathaniel Adams wrote on 18 May 1731:

This chiefly serves to recommend to your acquaintance my very good friends the bearers of this, Mr Charles King and Mr William Kinsman. Whatever goods in your way they shall have occasion for, pray be particularly careful that they have them on your particular Choice and at the most low Prices that can be, it being impossible for you to have dealings with any better Men in England: perhaps they may try some others, therefore your Caution in selling them at and on the Best Terms I strongly

¹ Arch. Brants 374: van Hemert, 29 May 1753.*

² Intestate (?).

³ Arch. Brants 373: J. N. Badcock.

recommend as the certain way of getting their correspondence. In a little time I expect to see you.

P.S. Perhaps they will consign the goods to me... the money they shall come to may be drawn on me.¹

Bankruptcies were also reported. David Bosanquet wrote to de Neufvilles on 21 March 1731:

No doubt you will have heard of the failure here of Mr Woodwards whose affairs it is hoped will come out pretty well, and better than those of one Mr Antony de Pas, a Jew, who is this Day fail'd but for what sum nobody knows, his Chief Business being in Exchange. I shall be pleased to hear you are in no ways concerned.²

The size of these firms varied a great deal. Of the Dutch houses, de Neufvilles were staple merchants on a very large scale, with correspondents and clients all over Europe. They imported and exported every conceivable commodity, and their total turnover must have run into millions of guilders. David Leeuw was probably not so wealthy. The London firms varied from big houses like Van Necks, and Fonnereau, who were sufficiently important to drift off into Government finance and underwriting, to substantial people like John Badcock, David Bosanquet, or Nathaniel Adams. Like the west country merchants Sir John Elwill and John Upcott, most of these merchants retained personal control of their businesses, and themselves wrote letters, sometimes in Dutch.

Peter Southey, of Exeter, who took over Sir John Elwill's business as trustee for his son after Sir John's death, apologised for his inadequate knowledge of the language, as if his ignorance were unusual: "I am not a perfect master of the Dutch language, therefore had much Rather you wrote in English—if not, I have a Friend to explain what I may not understand in your letters."³

Benjamin Heath was another ignoramus, whose request to Leeuw was: "If you understand French, desire you will be

¹ Arch. Brants 372: N. Adams.

² Arch. Brants 372: D. Bosanquet.

³ Arch. Brants 403: Southey—Leeuw, 6 May 1717.

pleased to write mee in French and will answer you in this same Language."¹

But in many other cases, English merchants answered Leeuw and de Neufvilles in Dutch. It is possible that firms occasionally employed Dutch clerks. At all events, there were a number of Dutchmen amongst the western clothiers—Mr van der Heyden,² Mr de Hoest,³ and Jan Steenwyk,⁴ prominent among them. Of the London correspondents of Leeuw, Gilbert de Flines, Willem Kops and Peter Crellius were Dutchmen who had recently immigrated and normally wrote in Dutch.⁵ The same was true of John and Wolfert van Hemert, de Neufville's correspondent.⁶

The length of the letters is evidence of a leisurely, though business-like age. Many of the families were on intimate terms, and orders for linens wander off into family affairs. John Badcock wrote: "It pleased God, my Father died on 26 February Last, after 4 Months Confinement to his Chamber, and my Mother survived him but 2 months."⁷

Various odd articles for private use or amusement were added to the more sober articles of proper trade. From England John van Hemert sent de Neufvilles a cover-binding for the Spectator, as well as "2 Dozyn Burton Ale at 10/6 per Dozyn".⁸ A second-hand Sedan chair was sold for £3. 10s. od., with packing charges 20s.⁹ Badcock also matched a pair of spectacles for Jan de Neufville, and sent the new pair back on the "Amsterdam Shipp that sails on Saturdays".¹⁰ He also sent de Neufville a "Pointing Dog", three-quarters of a year old, "got by a famous Dog of the Duke of Ancasters", and wrote:

If you can get him broke your side of the Water I think it will be best as when broke here, he will be quite unacquainted with

¹ Arch. Brants 403: Heath—Leeuw, 18 Dec. 1717.

² Arch. Brants 403: Bidewell—Leeuw, 6 April 1705.

³ *Ibid.*

⁴ Arch. Brants 403: Steenwyk—Leeuw, *passim*.

⁵ See chap. iv (v).

⁶ Arch. Brants 374: *passim*.

⁷ Arch. Brants 373: J. N. Badcock, 20 Aug. 1756.

⁸ Arch. Brants 374: van Hemert, 30 April 1754; 2 Nov. 1750.*

⁹ Arch. Brants 373: Badcock, 20 Nov. 1759.

¹⁰ *Ibid.*

your Manner, besides the Difficulty of getting him well broke here as most Gentlemen breake their owne Pointers, and the very greate Danger of losing him, for as stealing Dogs is not here Esteemed a Capital Crime, 'tis much practised. There is Men will go Fourscore Mile to steal a Good Pointer.¹

Eventually, however, a broken Pointer was sent, and Badcock wrote on 21 March 1754:

I have sent by Captain Bary Hanson who sail'd yesterday a Pointing Dog which the Captain promised to deliver safe to you, the Man that broke him says he thinks him as good a Dog as ever he saw but advises not to Beat Him if he should chance to b-r-r-r- —as the best will sometimes—that he will by no means bear a blow and hardly Harsh Language, and as these Sort of Dogs are Easily spoiled with improper management, thought it proper to send his Masters opinion of him.

P.S. The Dog answers to the name of Ponto.²

De Neufvilles sent three English clients bulbs—particularly tulips and hyacinths—prints and paintings (including one set of prints of Alexander's Battles), hams, beef, cheese and wine. The latter was usually smuggled through the Customs. Sometimes it was caught by the Customs officers.³ The more intricate methods of tricking the Customs officers were only possible between men who knew and trusted one another: for to those in the know, there were ways and means of dealing with customs obstacles. When Sir John Elwill had trouble over the importation of Broad German Linens, he gave Leeuw the following instructions:

All goods to be consigned to me at 20% cheaper than their Cost, and at that price to sell them actually to me, that I may Clayme them as my owne in all events, I promiseing on my word of Honr. to make good to you the full product of the goods sold, except 4% to recompense my pains and securing all Debts. This is the method observed in London by Sir Thomas Leeuwen. Otherwise the goods must pay fforeign Duty, which is a quarter part of the Subsidy more than Nativs pay.⁴

¹ Arch. Brants 373: Badcock, 20 Nov. 1753.

² Arch. Brants 373: Badcock.

³ Arch. Brants 373: Badcock, 4 Dec. 1754; 20 Aug. 1756; 19 Oct. 1759.

⁴ Arch. Brants 403: Elwill—Leeuw, 16 April 1715.

Personal knowledge and confidence was the basis, too, of the financial side of the trade, which was usually carried on by contra-account, balances being liquidated by bills of exchange which were discounted by the bigger trading houses, or banks. The west country merchants' bills in the early years of the century often went through a London house. George Poe, of Exeter, wrote to Leeuw:

I have this day drawn on you one hundred pounds payable to Ffishers and Allason or order exchange as shall be negotiated in London, which desire you to paye and place to my account, Allso earnestly Request you're speedy Remittances I being at present in Greate Want of Money.¹

Ffishers and Allasons were themselves London customers of Leeuw who often drew on Leeuw for various west country merchants.

The Dutch merchants' customers, then, ranged from the large merchants like Elwill, Heath, Upcott, Lewis in the west, and Badcock and van Hemerts in London, to the small, one man businesses. In the latter category, we hear of one Joseph Boddington, of Fenchurch Street, "Stationer, Buyer of Remnants of Cloth of all sorts for the Russia, Poland, Turkey, China and Persia Trades", who announced that, surreptitiously, he and his neighbour Mr Tyzer sold (through Boddington's brother, a "Cheif Mate to India who well knew the trade") "large quantitys to ye Captains and Mates here in England". The trade was "as pritty an Article as any in England for profit and not known But to two persons".² Of the Devonshire merchants, George Poe represents the small, rather poverty-stricken merchant, not much more than a packman, always writing feverishly in want of money, and more often than not, signing himself aggrievedly, "Your Hyly Abused Servant". It certainly looks as if Leeuw's methods made business with him difficult. Many of the smaller correspondents complained of non-payment. George Poe wrote on 8 March 1712: "Yesterday I had 2 Friends to

¹ Arch. Brants 403: Poe—Leeuw, 2 March 1704.

² Arch. Brants 373: J. Boddington—Neufville, 4 Dec. 1749.

construe severall of your letters and they both say you are a very Bad Man and I am shure I and my pore children fynd itt to true.”¹

In spite of all the difficulties recounted, commercial profits were large, as Holland itself witnessed, and the more substantial merchants' legacies frequently reached six figures. Jan van Hemert, one of the Dutch colony in London engaged in trade and speculation, wrote to de Neufvilles about the death of another member of the Colony, Abraham Crayesteyn, in 1754:

Abraham Crayesteyn is in these days laid to rest at the age of 56 years, leaving, so it is said, £250,000, of which his widow has £100,000, besides all the Jewels, Silverware, Furniture, which also comes to a tidy little sum: the family of Kops² has £700 of it, and there are various other legacies. His brother is the Executor, and so will have about £100,000 of it. Now that is enough for a man who is already reckoned to be worth £450,000 in worldly goods, and lives in a barn which only costs him about £400.³

Even before the confidences of finance made close relationships a necessity, this particular branch of international trade bears all the marks of being in the hands of a comparatively small clique of merchants, often bound together by ties of nationality and family, always on terms of personal acquaintance and, when business disagreements did not interfere, of friendship.

(ii) *The Export Trade from the West Country to Holland*

Devonshire had been famous for cloth since the sixteenth century, and Tiverton kersies were known all over England. Early in the reign of William III, the manufacture of mixed worsteds was established at Tiverton and received Government assistance; it was this industry which sought, and secured, an export market in Holland.⁴ There grew up, to use Defoe's phrase, “an incredible vent” for west country

¹ Arch. Brants 403: Poe—Leeuw.

² Another family of London's Dutch colony.

³ Arch. Brants 374: van Hemert, 17 Dec. 1754.* See also *infra*, p. 110.

⁴ Martin Dunsford, *Historical Memoirs of Tiverton* (1790), pp. 36–53.

cloths in Holland;¹ some of this was sold in Holland, but the bulk of it was re-exported by Dutch commission agents to other parts of Europe. English broadcloth was worn all over Europe; druggets, serges, du-roys, kersies and camlets were the fashion everywhere.² Germany was one of the chief final markets. There was "Not a Capital City in the Empire, but you may find the Shops of the Tradesmen stor'd with English Cloth, as far as the Navigation of the Elb, the Oder, or the Weissel can convey them".³ In Italy, too, the nuns were "vail'd with fine Kersies and Long Ells".⁴ There was also a market for English cloths in Spain.⁵

Cloth was exported by two routes—either direct from the west country towns—Exeter, Tiverton, Topsham, Plymouth or Bristol—or sent by waggon or packhorse over land to London and then exported.⁶ This indirect export trade through London is often referred to by merchants. John Andrews of Tiverton, who normally exported to Holland from Exeter, wrote on 4 January 1706 to David Leeuw of Amsterdam: "If you please, I will send those 7 bales when ready by way of London and I defray all charges of Carrage and Shipping for 1d per Piece—its what I have done for many Friends of Amsterdam and if you please shall doe the same for you."⁷

So the goods were sent by land to Mr van der Bush of London and then sent on to Rotterdam. Freight charges were usually paid by the exporting merchant. George Poe of Exeter wrote to Leeuw on 8 March 1712: "I payde 35 shillings to ye Waggonor for his freight."⁸

Most of the correspondence with Leeuw, however, refers to direct trade between Holland and the west country ports. The letters cover the period 1704–22, a time described by the historian of Tiverton as the most flourishing period enjoyed

¹ Defoe, *A Plan of the English Commerce*, pp. 163, 183.

² *Ibid.* p. 183.

³ *Ibid.* p. 184.

⁴ *Ibid.* p. 185.

⁵ See *infra*, pp. 39, 40.

⁶ Defoe, *The Complete English Tradesman*, I, 341.

⁷ Arch. Brants 403.

⁸ *Ibid.*

by the cloth industry of the west. Nearly 9000 people lived in Tiverton: Exeter merchants had establishments there, and adjoining parishes shared in the general prosperity. Nearly 1500 looms were in use, and upwards of 700 wool combers received employment.¹ Amongst the export merchants who corresponded with Leeuw were the following: from Exeter, Hugh Bidewell, Edmund Cock, Francis Collins, Sir John Elwill, Messrs Bere and Lee, Andrew Larrington, Joseph Maury, Peter Scott, Messrs Sharpe and Sanders, Peter Southey, Richard Spurway, Jan Steenwyk, Thomas Townsend, Benjamin Heath and George Poe: from Tiverton, John Andrews, George Coles, John Upcott, William and Samuel Lewis, Samuel Bawdon and Robert Burrridge. Of the Tiverton group, Burrridge, Upcott, and the Lewises are mentioned by Dunsford as being merchants of renown, who were remembered at the close of the century for their affluence and generous charities, having by traditional account, exported 600 mixed serges weekly in this period.²

It is clear from the earlier letters that the main export trade was in white and mixed serges, but by 1714 a change in fashion took place, and Sir John Elwill wrote to Leeuw:

I judge that Mixt Serges are not worn by Many Sort of People as formerly and that the Trade will never flourish as heretofore. The Trade of Serges is indifferent: the Serge makery hoped great Advances in Price on the Peace, But are disappointed. Many have discontinued their Trades and others make but half the Quantity they made some years past.³

He added, however, that there were "Some new sorts of Drapery invented, as Du Roys, Druggets and Durantes, which are used by many that formerly used Serge".⁴ And on 12 May of the same year, he spoke of "New Cloths—Karsays, Drogetts, Durois, and Crapes".⁵

It is difficult to compare prices because of a great degree of variations in measurement. Pieces of serge, 22 yards long,

¹ Dunsford, *op. cit.* p. 54.

² *Ibid.*

³ Arch. Brants 403: Elwill—Leeuw, 21 April 1714.

⁴ *Ibid.*

⁵ Arch. Brants 403.

ranged in price from 26*s.* to 37*s.* a piece, according to quality. John Andrews was selling serges at 27*s.* a piece in 1706, and spoke of the colours most popular as "bastard greens, golds, grays and browns". Some small samples of serges (fortunately preserved in the correspondence) sent to Bremen by Edmund Cock show them to be a fine woven cloth with very little pile, in rich, bright colours—pink, cream, tawny, light and golden brown, yellows, whites and blacks. These were sold in large pieces of 30–40 yards, and $\frac{1}{2}$ or $\frac{3}{4}$ yard wide. The narrow width sold at about 54*s.* and the broad at about 80*s.* the piece.¹ The newer cloths ran at similar prices—druggets costing 16*d.* or 17*d.* a yard, and finer druggets and crapes upwards from 22*d.*²

It was not long before the new cloths found an export market, and Leeuw was placing orders for crape de dames, druggets, duroys, prunellas, imperials, croonrasses, and perpetuanas. These orders were usually on Leeuw's own account, and were not sent to be sold on commission. (It will be seen that imported linens, etc., from Holland were often sold on commission.) They were sent from Exeter or Topsham to Rotterdam, which specialised, more than Amsterdam, in the English trade. If it was war time, the boats would be escorted by naval convoys from Holland. John Andrews wrote in 1706:

I have received yours of the 28th past, with your order to buy and send you 7 packs best bastard serges according to your patternes: For answer I will gett them ready as soon as possible but I thinke nott in tyme for sende with the Topsham ships, for just now I heare the convoy is come for the ships that are ready.³

Similarly, George Poe wrote from Exeter on 29 July 1710:

Ye Capt. of ye Dutch Man of Warr is now in our Citye will staye a few days here and in Topsham and sayle in 12 days if ye wind serve with our ships for Rotterdam.⁴

¹ Arch. Brants 403: Cock—Leeuw, 17 March 1716.

² Arch. Brants 403: Heath—Leeuw, 10 Nov. 1715.

³ Arch. Brants 403: 4 Jan. 1706.

⁴ Arch. Brants 403: Poe—Leeuw.

The great bulk of these exports still went first to Amsterdam, where they were warehoused, and eventually were re-exported to Germany or Italy or Spain. Some of the correspondence, however, reveals the effects of new economic trends, which were subsequently to paralyse the Dutch intermediary trading function. This new development was the gradual growth of direct trading relations between Holland's former customers. Here, for example, are a few instances of what was happening in the export trade from the west country to Spain and the ports of Hamburg and Bremen. In 1704 Leeuw proposed that orders for Spain should be sent directly to the customer, and wrote to George Poe at Exeter to ask how it could be arranged. Poe replied:

As to what oportunities wee have here to ship goods for Spyne I answer wee have now and often have att our Quaye a ship bound for bilbao allso frequently ships for Cadis. We buy goods for merchants in London and dye y^m. and ship y^m. here directly for Spyne.¹

Other merchants also shipped cloths directly to Spain. Benjamin Heath wrote on 8 November 1721, from Exeter:

You are also pleased to order 70 pieces long Ells to be dyed to severall enclosed Patternes and shipt in the first ship that shall depart from this Port bound to Cadiz. Shall pursuant to your order Buy for you 70 pieces fine long Ells 25 to 26 yards, of the very best goods and shall be dyed into the Severall Collors directed by your letter and according to your Patternes: and shall be shipt in the First Ship that shall depart for Cadiz after are ready: and shall not ffaile before the ship sayles some time, to give you advice of the ship and Captains Name, and the time he designes to putt to sea, and the Bill of Lading shall be filled up to your Order and Sent you, with ffactory² and Patternes when the goods are shipt: Shall also goe as low in the Charges as possible, and the goods shall be truly good and the greatest Pennyworth Money can Buy: Nothing in my power shall be wanting to Serve you to Content, and Encourage Future Trade this way.³

The order was despatched, but in spite of Heath's verbose

¹ Arch. Brants 403: Poe—Leeuw, 10 March 1704.

² I.e. *Factuur* (Bill).

³ Arch. Brants 403: Heath—Leeuw, 8 Nov. 1721.

enthusiasm, Leeuw was not satisfied: perhaps his dissatisfaction was not unconnected with the fact that Heath had received some linens from Leeuw to sell on commission, and had failed to do so. Heath wrote back the following year: "As to the Long Ells sent to Cadiz, there is not the least ground of Complaint, I could have sold the goods here when I shipt them at 1/9*d.* per piece More (Ready Money) than I charged you for them...."¹

In the Anglo-German trade, even more than in the Anglo-Spanish, direct trading was gaining ground as Hamburg and Bremen grew in importance and began to export German linens.² A number of Tiverton firms corresponded directly with German customers, or had German agents in Germany. Messrs William and Samuel Lewis exported serges of all colours and qualities, as well as crape de dames and other silks, to Hamburg and Bremen. In 1716, we find Leeuw asking Edmund Cock of Exeter whether he could send 150 pieces of coloured serge to Bremen.³ Cock replied that he sent 1000 pieces or so annually to Bremen, and even more to Altona, and enclosed some samples: Leeuw evidently approved, and the order was sent off.⁴

Leeuw, in the meantime, was becoming interested in the Funds. His first speculations were in 1717, and by 1719 he had a permanent agent in London.⁵ In 1722, the correspondence with the west country comes to an end: whether this means that the trade also ceased, it is impossible to say; but the indications from Leeuw's continued correspondence with London are that his interests were becoming increasingly financial.

(iii) *The Export Trade from London to Holland*

The export trade from London to Holland differed in kind and in method from the export trade from the west country. The latter was concentrated on a market for local industry:

¹ Arch. Brants 403: Heath—Leeuw, 6 June 1722.

² See *infra*, pp. 51–53.

³ Arch. Brants 403: Cock—Leeuw, 17 March 1716.

⁴ *Ibid.*

⁵ See *infra*, p. 119.

the London trade was more varied and consisted mainly in the re-export of colonial produce and fine fabrics from the Levant and Italy and India. As regards trading methods, this branch of trade presents a broad contrast to the west country trade. In the latter, it seems that normally the Dutch merchant bought for his own account, while the English merchant sold the linens, etc., imported in return, on commission.¹ The London merchants, however, bought mainly on their own account, while their exports of colonial goods to Amsterdam were sold mainly on commission. The London market was, of course, a good deal more certain than the country market, which made merchants more willing to risk accumulating large and varied stocks at their own expense. On the markets of both Amsterdam and London, Indian and colonial purchases were traditionally articles of speculation.

In this section of the export trade, the same factors were at work to reduce the importance of Amsterdam. The constant complaints that the Dutch commission agents' prices were unsatisfactory, are too recurrent to be considered merely the ordinary grumblings of the eighteenth-century trader. The fact was that direct routes were now open to many markets which previously were the monopoly of the Dutch agent. Consequently, the latter's prices, allowing a commission for the intermediary offices, compared unfavourably with those prevailing in the direct trade. Particularly in times of crisis, prices at Amsterdam slumped, and trade once drawn away was difficult to get back. London firms were setting up agencies in Hamburg and Bremen, and a two-way trade between London and Hamburg was diminishing the importance of the Dutch entrepreneurs. At the same time, it was observed that whereas formerly the Englishman had eaten his meat off plates made at Delft, the Dutch were already using Staffordshire plates.² The early stirrings of industrial change were turning back the flow of goods from Europe, just as they were to turn the balance of trade with India.

¹ See *infra*, pp. 48, 50, 52.

² Macpherson, *op. cit.* III, 430 (note).

The Amsterdam house of de Neufville had correspondents in most parts of Europe: in London it traded, mostly on a commission basis, with upwards of fifty London export houses.¹ Two firms particularly—David Bosanquet and E. S. and Claude Bosanquet²—did a large export business to them in “Bengall” silks, Tripoly and Beirut silks, Cossacs, Tanjeebs, Mulmuls, Alliballies, Dorcas, Addaties, Hum-hums, Calecoq muslins, and other textiles, tobacco, rice, sugar, coffee, and cacao. These were mostly sent to Amsterdam to be sold on commission, though occasionally the Dutch firms speculated for themselves on the London auctions, or joined with their English correspondents in speculations. Claude Bosanquet, for example, bought for de Neufvilles at the East India Company’s sales in London, and de Neufvilles did the same for Bosanquet’s in Holland, each firm regularly sending the other the official auction notices and sales prices. E. S. and C. Bosanquet wrote in July 1733:

Wee thank you for your advice in relation to ye Coffee arrived at your place, let us know what time it is to be exposed to sale and what you think it may go att, tho’ I am in doubt whether at this time it is an article worth speculating in. Calecoq Nutts are Risin here from £9 to £10 ye Ton. We have lately a ship from India with 1806 Bengals and according to appearance we shall abound in that Commodity.³

Another firm, M. and B. Harrison, offered a joint speculation in the loot of some French prizes—sugar and coffee from St Domingo, Barbados sugar, coffee, cacao and sugar from Martinique. They wrote:

We send Acct. how the last French Prizes sold, the next we hope will be considerably cheaper, especially the sugars which have been hitherto chiefly bought up for Danemark and the East Sea, but as those ships are now mostly gone (for fear of the Frost) they will most likely all considerably lower. In case you should think proper to speculate in any of those articles, we beg the favour of your commission.⁴

¹ Arch. Brants 372-4.

² See *infra*, p. 141.

³ Arch. Brants 373: E. S. and C. Bosanquet—de Neufville, 19 July 1733.

⁴ Arch. Brants 373: M. and B. Harrison—de Neufville, 8 Oct. 1756.

The heavy price fluctuations on the Amsterdam market in the thirties and fifties proved a severe trial to London export merchants relying on the commission trade. Here, it was the London seller who bore the whole risk: there seems to have been no question of advance part-payment by the Dutch agent, such as occurred in the trade with French textile merchants. Once the goods were in Holland, the London merchant had to rely on his Dutch correspondent to secure a good price from a customer who could be trusted to pay. As David Bosanquet wrote to de Neufvilles: "I desire you would take care to trust none but such as are of undoubted security, the Trade not affording a loss."¹

But if prices had slumped, the charges on the return journey of a commission cargo were prohibitive. On one such occasion, Bosanquet wrote:

If you cannot gett more than 22/3 for my 2 Bales Tripoly Silk I must be content with that price and therefore desire you would use your endeavour to obtain it, taking care not to sell them to anyone who is not undoubtedly good: this commodity is risen here and probably may soon with you, but as these two bales are the last of an account, I choose to have it sold. . . .

The charges at your place and loss of the Customs here is too considerable for me to have them back so I must be content to take the price your Markett affords, I will not doubt of your care for my interest and therefore wholly rely on it.²

It was, however, becoming increasingly difficult to find customers "undoubtedly good" and keep up prices as well. A letter written by Bosanquet three years later shows the resentment felt by the exporting merchant, on whom all the risk fell, against the easy profits of the commission agent:

. . . it will be impossible for me to buy for your place, unless you will be half-concerned or will be content with 1 % commission, as I can be served by severall Houses. I choose to deal with you, and shall always give you the preference for sale of my own goods,

¹ Arch. Brants 373: D. Bosanquet—de Neufville, 31 March 1731.

² Arch. Brants 373: D. Bosanquet—de Neufville, 16 July 1731.

but when I buy here I must do itt for Profitt or not at all. I Kiss
your hands and remain,

Your humble Servant,
David Bosanquet.¹

Sometimes, goods sent to be sold on commission which did not find a customer in Holland were sent on to other markets. In the period of trade stagnation which culminated in the crisis of 1751, Claude Bosanquet wrote:

I own, however, I cannot conceive why my Emortis will not fetch as much as other People's which cost the same price as mine: I beleave they will do for Italie, therefore in case you cannot gett there cost, please to ship on a good ship said Bale of Emortis to the order of Mr James How of Leghorn sending him by ye ship bill of Lading and invoyce, and to me ye Duplicats: and in loosing Affairs I hope you'll not charge Commission: att least to me whoes maxim it is never to do itt in like case.²

Meanwhile a direct two-way trade was quickly growing between London and the rising ports of Hamburg, Bremen and Altona; in 1750 Hamburg's trade with France, Spain, Portugal and Italy was rising fast, and it was reported that three times as much sugar, coffee and indigo were shipped for Hamburg from France as for Amsterdam.³ One London house, M. and B. Harrison, were buying their linens direct from Silesia *via* Hamburg, and a letter of 1 January 1762 shows that they were now exporting colonial goods directly to the German market. Harrison wrote: "We have lately made it a principal part of our business to buy our West India articles for the Marketts of Hambro and Bremen."⁴

The Bosanquets, too, ceased to rely on the Dutch middleman, and a member of the family, Jacob Bosanquet, was sent to Hamburg in June 1733 to learn the language and prepare to act as general agent for the German trade. He settled first in the counting-house of Herr Herman Goverts Junior, one

¹ Arch. Brants 373: D. Bosanquet—de Neufville, 2 July 1734.

² Arch. Brants 373: C. Bosanquet—de Neufville, 9 May 1749.

³ Figures of the "Propositie" quoted in Macpherson, *op. cit.* III, 289 (note).

⁴ Arch. Brants 373: M. and B. Harrison—de Neufville, 1 Jan. 1762.

of the Bosanquets' Hamburg customers, and wrote to de Neufvilles: "I shall stay here two or three years—afterwards I shall trade for my own account."¹

The increasing commercial activity in Hamburg helped his progress, and by 1737 his business relations with the London firms were substantial. From them he imported silks, coffee, and various colonial goods, which he took on commission or on his own account, and in return sold them German linens. The Bill of Lading (reproduced) shows another example of how the direct trading routes were side-tracking Amsterdam. The firm of van Hemert was originally

Copia

BH 57 *M^r. Sugar N^o. 1. 57*

BH 20 *M^r. Tobacco N^o. 1. 20*

BH 23 *M^r. Indigo 1. 8*

Shipp'd by the Grace of God, in good Order and well Condition'd, by *John and Wolfert Van Hemert, & Comp^y* in and upon the good Ship call'd the *angel* whereof is Master, *under God*, for this present Voyage *Christian Muldorp* and now riding at Anchor in the Port of *Rhymouth* and by God's Grace bound for *Hamburg* to say, *Fifty Seven hogsheads of Sugars, Twenty Hogsheads of Tobacco and Eight Barrells of Indigo* in the proper account and Risque of *M^r. Jacob Bosanquet of Hamburg* being mark'd and number'd as in the Margent, and are to be deliver'd in the like good Order, and well Condition, at the aforesaid Port of *Hamburg* (the Danger of the Seas only excepted) unto *M^r. Jacob Bosanquet* or to *His* — Assigns, he or they paying Freight for the said Goods as *agreement* ~~in witness whereof the Master or Purser of the said Ship~~ In witness whereof the Master or Purser of the said Ship hath affirm'd to ~~these~~ Bills of Lading, all of this Tenor and Date; the one of which *three* Bills being accomplish'd, the other *two* to stand void. And so God send the good Ship to her desir'd Port in safety. Amen. Dated in *Rhymouth August 22. 1745*
Ch: Muldorp

Figure 1. *Bill of Lading*

Dutch, but shifted to London about 1719. From the first, financial transactions played a prominent part in their business and they figured in the South Sea Bubble speculation.² After the Bubble, a large part of their business consisted in acting as brokers and London agents for Dutch investors.³ This Bill (Fig. 1) shows them shipping sugar, tobacco and indigo, to the new Bosanquet agency in Hamburg.

It was in the forties, when the British Government was hardest pressed for money, that the correspondence began to

¹ Arch. Brants 365: Letters Hamburg—Amsterdam, June 1733.

² See *infra*, p. 107.

³ See chap. IV (iv).

indicate a drift from active trading into financial speculation. Bosanquet's letters began to give regular quotations of the price of Government funds in London, to give advice about investments, and to quote the gossip of the London 'Change. On 6 March 1750, Claude Bosanquet wrote:

The Government Annuities consist in Old and South Sea Annuities: those created in 1746, 1747, 1748 and 1749 are all Bank Annuities. My order for ye sale of £500 of 1747 you'll annul. If you transact my affairs this way and you please to employ me, due advices shall be given you thereon.¹

After this Bosanquet's letters contained regular quotations of the British Funds and information about de Neufville's interests in those Funds. Similarly, the correspondence of the firm Benjamin and Matthew Harrison is, from 1755 to 1763, largely concerned with business in the Funds. De Neufvilles, though by no means wholly a financial house, were clearly becoming brokers for English stocks in Holland. One of their chief London correspondents was the house of John and Wolfert van Hemert, which until 1744 or 1745 was chiefly engaged in importing linens from Amsterdam, and re-exporting colonial goods. Between 1745 and 1755, their interests became almost entirely financial.²

(iv) *The Import Trade from Amsterdam to the West Country*

To the west country, as to London, came mainly linens from the Haarlem bleacheries, and dock (or duck) for sail cloth. Haarlem, in the seventeenth century, possessed more than twenty bleacheries.³ Some Dutch linens were dyed, but the main business of the Haarlem bleacheries was the dyeing of linens from Germany—from Berg, Elberfeld and Barmen, Osnabrück, Münster, Hanover, Hesse, Brunswick, Silesia, Ravensburg, from Juliers (Guliks, Gulix or Garlicks), Cleves, East Friesland, and from Poland, north France and the

¹ Arch. Brants 373: E. S. and C. Bosanquet—de Neufville, 6 March 1750.

² *Infra*, chap. v (i).

³ S. C. Regtdoorzee Greup-Roldanus, *Geschiedenis der Haarlemmer Bleekerijen*, p. 324.

southern Netherlands. There were coarser linens from Russia, and Hessians and Osnabrugs were the chief low grade cloths: fine Hollands were used for "shifts and sheets" and sold from 11s. to 12s. the ell, fine Ghentish (from Bruges and Ghent) for 2s. to 5s. per ell; cambricks and lace came from Flanders, dowlas, lockrams and Vitry canvas from France.

The Dutch merchants bought these linens in the raw state either from the German capitalist linen manufacturer direct, or from his agent at one of the big German fairs. One letter gives the charges on a typical order: the linens were sent from Hirschberg to Leipzig (to the Messe), from Leipzig they went to Zwolle, and from Zwolle to the Amsterdam warehouse. In due course, they were sent to Haarlem to be bleached and made up, returned to Amsterdam, packed, and transported to Rotterdam, from where they went to England.¹ In the earlier part of the century, fine foreign linens were the fashionable wear in shirts in England (just as English cloths were the fashionable wear in Holland). Only country bumpkins wore locally made linens.

The Dutch merchants (of whom David Leeuw was one) sent their linens to be sold on commission by the west country importing merchants, to the drapers, or country shopkeepers, or travelling chapmen. George Poe of Exeter, one of Leeuw's commission agents, wrote to him on 24 November 1711: "Wee have a faire or Kermish² in a short time when ye Cuntreye shopkeepers come to our Citye to by Goods for Ye Spring."³

Dock, for sail cloth, was used for fitting out the Newfoundland fleet, which sailed in March. The Exeter merchants sold their imported stocks to local shopkeepers, or chapmen, or shops in neighbouring ports. Sir John Elwill, an Exeter merchant, wrote to Leeuw on 11 February 1715: "My Servant intending (if God will) for Bideford Monday next the 13th instant, where many ships outsett for Newfoundland, I have sent thither 5 pieces of the second sort of Docks to be

¹ Arch. Brants 373: Chauncy—de Neufville, 11 Nov. 1738.

² i.e. Kermesse.

³ Arch. Brants 403: G. Poe—Leeuw.

sold there which he will endeavour to doe.”¹ And on 21 March: “Our Newfoundland Fleet is ready to sail in a few days. I have sold 38 Pieces of Ye Docks, and am hoping to find Chapmen to buy off ye 12 remaining, which will be all that is to be done this Spring.”²

The sail cloth had to be disposed of rapidly, however, while the fleet was preparing to sail: otherwise, the merchant stood to lose heavily:

Hollands Dock that cost in Holland 23/- or 24/- per piece doth turn to account from October till March when our Newfoundland Fleet setts out. 20 or 40 Pieces may at that time render a material profit, as I’ve found by experience. That Fleet is now sail’d so that the Demand of such Sail Cloath is much abated. In September a Parcell of 20 Pieces may come reasonably, and 20 Pieces more in another ship coming about November.³

Elwill also remarked on the tendency for the commission agent to be eliminated.

In 1716 we find him complaining to Leeuw that the small shopkeepers and ships’ masters were buying their sail cloth direct from Holland instead of through the English commission agent.

I find that the Winkelry⁴ and Shipmastery draw from Holland many Parcels of this Sail Dock: to the obstructing of my Commerce with the Winkelry as formerly. The many Ships coming from Rotterdam encourage Small Traders, even Sail Makers to buying for their own account what their consumption requires.⁵

The difficulties which the commission agent met with in the normal course of trade were, first, the problems of those trades which were only seasonal and in which stocks depreciated rapidly out of season, like seed imports, which only sold at sowing time, or sail cloth and hemp cargoes, which

¹ Arch. Brants 403: Elwill—Leeuw.

² Arch. Brants 403: Elwill—Leeuw.

³ Arch. Brants 403: Elwill—Leeuw, 21 April 1714.

⁴ Elwill normally wrote in English but occasionally lapsed into Dutch expressions. *Winkel* = small shop.

⁵ Arch. Brants 403: Elwill—Leeuw, 27 June 1716.

depended on the sailing of the Newfoundland fleet. Elwill wrote about a cargo of cloverseed:

Ye goods shall be landed and exposed to sale. The Cloverseed is Old and Fowle, not of any Bright Colour. The Best Seed finds the Best Price and the Quickest Sale. Its otherwise with old and Brown Seed, as that now sent is. I will not stick at any pains to sell it at the best prices to be got, Knowing it to be a commodity that must be sold before the season of Sowing passeth.¹

But a few weeks later, he wrote:

My people have been for the most part of their Time employed in sending Cloverseed to many Markets in the Country as well as in Exon. Market, considering the Season is passing away. The whole cannot be sold (as I think) this year. I think all the Bags may be sold—some at 40/-, some at 42/-, and some at 50/-. I am still sending my Servants abroad to sell more, and shall continue, so long as Any will sell. The pains taken in this Matter deserve triple Commission. I esteem your family, and doe use rather more Art and Diligence for you, than for myself.²

The merchants acting on commission often sold on sample—a system which gave rise to a good many disputes over the quality of cargoes: in such cases, it was the commission agent's task (and not always an easy one) to arrive at some satisfactory solution. On 2 November 1719, Benjamin Heath of Exeter wrote to Leeuw about a cargo of cloverseed which he had sold on sample:

I have sold your Cloverseed at Twelve Shillings and Sixpence per hundred weight: but when the Casks were opened, the seed appeared soe much damaged by lying in Mr Southey's damp cellar, that my Chapman will not stand to his Bargaine, which I have hithertoe insisted on, because Noe Man Else will buy it: I have offered to Referr the Matter to two Indifferent Men, who shall have a sight of the sample by which I sold it and also of the Seed as it shall appear to be in the casks and to give an allowance for what they shall think it worse than the sample: but nothing is yet done in it...³

¹ Arch. Brants 403: Elwill—Leeuw, 4 April 1716.

² Arch. Brants 403: Elwill—Leeuw, 18 April 1716.

³ Arch. Brants 403: Heath—Leeuw.

In the same letter, Heath describes another dispute which was going on over a bale of Russian linen from Leeuw. He wrote:

Have also sold a Bale of your Russia Linnen No. 5, Part at 5 $\frac{3}{4}$ d and Part at 6d per Ell, and to allow 8 % for Measure. Our Drapers insist on 10 % as customary but have agreed for 8 % rebate: I have taken care for the Exact Measuring of Them, and on opening There appear Pretty Many Pieces very Spotty with Mildew Soe that have taken Pretty Much Damage, which shall adjust with the Draper and advise you.¹

All the Commission agents complained regularly that the local markets were overstocked, particularly with German linens. Elwill wrote in 1715:

I despair most of selling the white Ozenbriggess² having ransackt the whole Towne and some Part of the Country but all in vain. I do confirm my former opinion, That they may sell in London, but not here, without great Loss: they shall be sent to whom you please in London.³

And in 1719, a typical complaint came from Benjamin Heath at Exeter:

I have sold none of your Ravensburgs or Dowlas since my last: the Towne is soe full of them sort of goods, that ordinary goods will not sell, and the Drapers affirme Yours are very indifferent goods: there are more Dowlas now in Towne, Then can bee consumed in 2 or 3 years, which makes some to sell at Excessive Low Rates.⁴

Disputes over measurement recurred more frequently than any other. Elwill wrote about some Hessians to Leeuw on 12 May 1714:

I find it needful to measure every piece, for some hold 27 yards, some 28, some 30, which will make it Difficult to sell them by ye Piece as is usually practised here: the Shopkeepers will not have Patience to Measure Every Piece they buy (and other Merchants of whom they buy sell them by the Piece). A Compleat Invoice would have given me the Best Light in Making the Sales of Them.⁵

¹ Arch. Brants 403: Heath—Leeuw.

² Osnabrücks.

³ Arch. Brants 403: Elwill—Leeuw, 11 Feb. 1715.

⁴ Arch. Brants 403: Heath—Leeuw, 2 Nov. 1719.

⁵ Arch. Brants 403: Elwill—Leeuw.

So far, the difficulties encountered were normal incidents of the commission business. More serious was the fact that in a number of branches, the west country agent working on commission for the Amsterdam exporter now had to face the competition of direct imports. Exeter merchants were importing Russian hemp from Archangel, which provided the Dutch entrepreneurs with serious competition, and was in fact the prelude to a complete British monopoly of the Russian trade by 1760. Sir John Elwill wrote to Leeuw on 16 May 1716:

The best Muscovite Hemp doth sell now about 23/- or 24/- per cwt. The expense of it is in the Spring, when our ships outsett for Newfoundland and other Foreign Parts. In Peaceable Times, the Buyers have no great Stomack to buy, for that the import of Commodities Commonly Exceed the consumptions: none but the best Russia Hemp will sell, as I have found by experience. There are Two inferior sorts, which our Buyers will not Touch or Buy. About September if you send 10 Bales, I will sell them about the end of December or towards the Spring. The prices will be govern'd by the Quantities imported. Some Merchants of this place bring in Much from Archangell. Their Hemp sells with credit, being found very good.¹

Most serious of all, we already have more than a hint at a fundamental alteration of one of the chief international trade routes, which not only cut out the Dutch entrepreneur and expediteur, but involved the transference to Germany of one of the most important refining industries of Holland. This was the growth of direct shipments of German linens from Hamburg and Bremen to England, combined with the rise of bleaching industries in the important north German linen centres, particularly Bielefeld, whose products had, in the seventeenth century, been bleached at Haarlem, where previously upwards of twenty bleacheries had dealt with eighty to a hundred thousand pieces every year.² Ravensberg and Bielefeld were, by 1720, doing all their own bleaching, and it has been estimated that the withdrawal of Bielefeld's linens

¹ Arch. Brants 403: Elwill—Leeuw, 16 May 1716.

² S. C. Regtdoorzee Greup-Roldanus, *op. cit.* p. 329.

alone meant a loss of 8000–10,000 pieces a year to Haarlem.¹ At the same time as these developments made the journey to Holland unnecessary, Hamburg was rapidly building up trading connections which enabled the German manufacturer to dispense with his Dutch agent. Similarly in Silesia, though the local bleacheries were not good enough to compete with Haarlem, the practice grew up of sending the unbleached linens directly through Hamburg to England.² Defoe remarked at this time that the quantity of German linen imported from Hamburg was past all calculation, but that it was supposed that it amounted to “Many Hundred Thousand Pound Sterling a Year”.³

Even in 1714, the influx of linen (particularly, it will be seen, brown, unbleached linen) from Hamburg and Bremen was beginning to overload the market; the effect of this influx on the prices obtained by the Dutch merchant's commission agent for similar articles sent indirectly through Holland, may be gathered from the following letter, written from Sir John Elwill to Leeuw on 28 July 1714:

Bremen and Hamburg shiploads drive down the Price of Long Hessians from 20/- per Piece to 18/- per piece. I will not, as you order, sell under 20/- per Piece, which price I will strive to obtain, Tho' I almost despair of it, others selling the Said Goods for 18/- it's not in my power to Rule a Market, seeing that Great Quantities are lately arrived here from Bremen, Hambro and Holland, which has filled our Marketts, who are like to continue so, for that ships are expected from the aforesaid places with Brown Linnens.⁴

Even the linens from Juliers—“Gulix” or “Garlicks” as they were called in England—were sent through Hamburg and Bremen, thus saving the bleaching, commission and freight charges to Holland. In September 1714, Elwill excused himself from taking any more “Garlicks” from Leeuw, because, he said very reasonably: “Its needfull to buy

¹ S. C. Regtdoorzee Greup-Roldanus, *op. cit.* p. 278.

² *Ibid.* p. 280.

³ Defoe, *A Plan of the English Commerce* (1728), p. 208.

⁴ Arch. Brants 403: Elwill—Leeuw.

Goods at the Fountain and save all superfluous Charges, for that divers merchants draw directly from Hambro and Bremen, German linens: it saves much.”¹

These obvious savings and advantages greatly increased the amount of trade between Hamburg and the west country, and in 1715 Elwill wrote from Exeter: “I find the correspondence between this City and Hambro doth increase.”²

A situation arose in which it was often only possible to obtain satisfactory prices for the Dutch exporter’s linens by selling when the market was temporarily free of German linens. Elwill took some linens from Leeuw in 1716, and wrote in April of that year: “It was happy that the exported goods from Germany were not arrived, which made way for the sale of this Parcell.”³

The position of the commission agent for linens from Holland was becoming exceedingly difficult, as his profits were reduced by the direct trading operations with Germany, and there must have been many who agreed with Hugh Bidewell of Exeter, who wrote to Leeuw: “This Linnen Cloth is an undoing Trade, and I resolve to have noe more from you (if I can help it).”⁴

(v) *The Import Trade from Amsterdam to London*

The biggest item on the import account to London from Holland was again German linen, bleached at Haarlem and exported via Rotterdam: other important items were sail cloth, cambrics and paper. The London merchants, unlike those of the west country, seem to have bought mainly on their own account. The correspondence used in this analysis of the London import trade took place between the house of Jan Isaac de Neufville of Amsterdam, and their London customers—Theodore Church, Ralph Dochsey, Messrs Leon Bowles, Danby and Grenville, John Badcock, John Dorrien

¹ Arch. Brants 403: Elwill—Leeuw, 1 Sept. 1714.

² Arch. Brants 403: Elwill—Leeuw, 18 May 1715.

³ Arch. Brants 403: Elwill—Leeuw, 21 April 1716.

⁴ Arch. Brants 403: Bidewell—Leeuw, 1714.

and Co., Captain Harry Gough, Joseph Grove, and four firms of Huguenot origin—André Devisme, Les Frères Gautier, Allix and Le Compte, and Messrs Fonnereau.¹ Grove and Gough were East India merchants buying sail cloth for their own vessels. The rest were general merchants. Messrs Fonnereau were later, with the other great Anglo-Dutch firm, Van Necks, primarily engaged in underwriting Government loans. The linen drapers mostly imported for their own account, and one of them, Nathaniel Adams, in 1731 sent de Neufvilles a "List of such Linen Drapers that I think you may be very glad to have for Customers".² The list was as follows:

Heron & Arnold.	}	These gentlemen all live in Cheapside.
David Barclay.		
Thomas Smith & Son.		
Clavering & Trollop.		
Andrews & Co.		
Needham.		

John Billers & Co.	}	In Cornhill.
Chase & Harvey.		
Nathaniel Foche.		
Jasper Waters & Sons.		
Richard Chauncy & Son.		
Charles Chauncy & Co.		
Robert Athyns & Co.		
James Coulter & Co.		
Salter & Co.		

Elgar, Smith & Co. (At Algate).
 William & Henry Pomeroy (Leadenhall Street).
 John Higden Jnr. (Milk Street).
 Mr Swan at the Seven Stars in Fryday St.
 Eccleston & How.
 Bonjoy, Newgate Yard.
 Nathaniel Turner & Co. (Fleet St.).
 Hougham & Gibson, Cheapside.
 Rowe & Lemon in Cornhill.

Such merchants bought mostly for the London market, or

¹ Arch. Brants 372-4.

² Arch. Brants 372: Adams—de Neufville, 21 Aug. 1731.

for re-export, particularly to North America.¹ Commission agents were not common, though we do hear of Mr Theodore Church, who in 1734 was "buying for the West Country Linen Drapers, Charles Yonge & Co., and Thomas Powys" on a 2% commission basis "to enable them to fulfil their expectations of the approaching fairs at Salop and Bristol".²

The correspondence of Jan Isaac de Neufville with these and other London linen importers covers the period between 1730 and 1762, and indicates that the competition of direct trade with German linen merchants was still operative. In addition, there was even more serious rivalry from the heavily subsidised and protected British manufactures—particularly Scottish and Irish linens. As to the first factor, Messrs Fonnereau wrote to Amsterdam in 1740: "In answer to your favour of the 7th instant, we thank you for ye offers therein contained which we can't accept as we are employed in the Sale of Hollands and Flanders linnens for many Friends, and we correspond Directly to Germany for ye Sundry Linnens of that Country."³

Silesian linens were regularly imported from Hamburg or Bremen, and in 1742 Messrs Danby and Grenville replied to a proposal of de Neufville's that they should import linens via Amsterdam:

Our orders for such and all other Silesia goods have been despatched thither some months ago, and the practice of importing from thence via Amsterdam is not customary with us: yet if you will please communicate to us beforehand, bona fide, the name of your friend in Silesia for our better Gouvernement in judging thereof, and of the fabrik usually sent hither by him, and will also please to mention to us your Terms, as charges for Bleaching, Provision etc. we will then see whether or no the Adventure proposed can be made advantageous.⁴

¹ *The Substance of the Evidence delivered to a Committee of the House of Commons by the Merchants and Traders of London concerned in the Trade to Germany and Holland and of the Dealers in Foreign Linens* (1774), p. 18.

² Arch. Brants 373: 28 July 1734.

³ Arch. Brants 373: Fonnereau, 13 March 1740.

⁴ Arch. Brants 373: Danby and Grenville, 11 Jan. 1742.

Other merchants had agents in Silesia buying unbleached linens which were now finished in England. Ralph Dochsey wrote in 1747: "I am much obliged to you for the offers of your Services in buying of Sluyers in the Brown, but having a Correspondent in Silesia, I have already given him a commission for £500...."¹

The rise of the Scottish and Irish linen industries precipitated a struggle between local and foreign linens for the British market. Towards the end of the seventeenth century, Sir William Temple had commented upon those conditions in Ireland which indicated a potentially great industry. It was still in the crude state, but the natural resources plus the ability of the Irish to spin linen thread, made it possible that this primitive industry might "be improved into a great manufacture of linen, so as to wear down the trade both of France and Holland, and draw much of the money which goes from England to those parts upon this occasion into the hands of His Majesty's Subjects in Ireland, without crossing any interest of trade in England".² His Majesty's subjects in Ireland could certainly do with any economic assistance that was offered; the north of Ireland was aptly described as "the almost exhausted nursery of our American plantations". The new industry fostered, ironically enough, by William III, enabled Ireland to help herself, and by 1750 North Ireland was "a populous scene of improvement, traffic, wealth and plenty", a "well-planted district, considerable for numbers of well-affected and industrious subjects".³ The linen industry flourished in Belfast, Newry, Drogheda, Londonderry, Dundalk and Dublin, where between 1711 and 1754, four thousand new houses were erected. Government aid took the form of export bounties from 1743 onwards, and a large export market was captured.⁴ Dutch merchants bought yarn and raw linens in exchange for manufactures. A large market was developed in England: bales of linen were shipped to Liverpool, and

¹ Arch. Brants 373: Dochsey, 4 Dec. 1747.

² Quoted by H. Fox Bourne, *op. cit.* p. 224.

³ Macpherson, *op. cit.* III, 318.

⁴ *Ibid.* p. 302.

Leeds became an important distributing centre.¹ The rapid growth of this export market may be seen from the figures for the exports of linen cloth placed before the Irish Parliament in 1771 by the Inspector for the Trustees of the linen manufactures:²

1710.....	1,688,574 yards
1730.....	4,136,203 „
1750.....	11,200,460 „
1770.....	20,560,754 „

In Scotland, the British Linen Company was brought into being in 1746, partly to enable Scotland to avail itself of the bounty on the export of home-made linens, and partly to allay the agitation of the Jacobite rising. Here too there was similar though less startling progress. The quantity of linen stamped for sale increased steadily and by 1757 the Scottish industry was competing seriously with the Irish for the English market. By 1760, about 12,000,000 yards were stamped for sale. Poorer manufacturers received advances on their goods to enable them to keep up their production. The total sales of Irish and Scottish linen in England came to something under twenty million yards about 1760, while the figures for imported linens show that these still reached a total of at least twenty-five million yards at the same time.³ A large part of these foreign linens, however, now came direct from Germany, and the intrusion of the new British industries proved disastrous for the linen importers, particularly the staplers and commission agents of Holland.

The effects of the new industries begin to be apparent in the correspondence of the London houses. Gilbert Allix, for example, wrote of the progress of Irish linens on 5 September 1738: "The Sales of Hollands begin to prove very slow, and if the Fabrik of Irish linens continues to improve, 'tis probable there will be little else wore in England."⁴

¹ H. Fox Bourne, *op. cit.* p. 224.

² Macpherson, *op. cit.* III, 515.

³ Figures given by Glover in *The Substance of the Evidence...*, p. 56.

⁴ Arch. Brants 372: G. Allix, 5 Sept. 1738.

The quality of the Irish linens soon began to make the importers severely critical of the quality of the foreign linens. Allix was an exacting critic, complaining regularly of the "narrowness" of the foreign linens. Surprising as it may seem, there were constant misunderstandings over measurements—English customers expecting the English ell width (of 45 inches) and being supplied with Flemish ell (27 inches) or yard width. Elsewhere it was complained that the imports were of "an Indifferent Colour": others, it was alleged, continued "to have their Old Fault of being Course for the Price".¹ Finally, he delivered an ultimatum:

I am very sorry the last Parcell of Cloths you sent me have prov'd a Bad Bargain. They were of a bad sort, open'd miserably and disliked by most of my customers as well as myself, so that Severall Pieces remain yet unsold. I depended entirely upon your choice and little expected to have so just reason to complain. However, in hopes you'll make amends I am willing to have another Tryal—but depend upon it beforehand, if the goods are not as they ought to be I'll never keep 'em, and you may send me 15 Pieces of Gulix. I'll not enlarge on the Quality, colour nor price. As this Parcell proves, you may expect a Continuance or an end of our Correspondence.²

There were similar complaints regularly from other London merchants, and Mr Leon Bowles may be taken as typical, when he wrote in 1741:

You'll please to observe that we have here Scotch and Irish Linnens which are improved to a great perfection, and if Linnens from your part are not sent on much Cheaper Terms than heretofore, will not do for our Markett.³

The following year, the firm of Danby and Grenville wrote that they were no longer interested in the importing business, which had been rendered unprofitable by the development of the Irish and Scottish linen industry:

We return you many thanks for the honour done to us of an offer of your correspondence, and are sorry that the Demand of

¹ Arch. Brants 372: G. Allix, 27 Oct. 1733; 22 and 27 June 1734; 28 Feb. 1735.

² Arch. Brants 372: 28 Feb. 1735.

³ Arch. Brants 373: Leon Bowles, 21 March 1741.

Hollands Linnen here is so dull and unprofitable that we cannot accept of it—We have for this reason resolved to engage ourselves no further in them, unless that Trade shou'd take a better Turn than we can possibly expect, and that the Manufacture of Irish and Scotch Linnens shou'd lose their Reputation and be less worn among us than at Present.¹

Ralph Dochsey also complained that the successful imitation of cambrics in Ireland and long lawns in Scotland was forcing down the price of the foreign originals on the London market:

The Market which at present is too much overstockt, for the Drapers and Venders will not buy them as the Scotch are now, and have for some time been, greatly imployed in making a Linnen much in the same Nature as Sluyers or Long Lawn, and also another kind of Linnen in imitation of the clear Sluyers which I am well informed will be much cheaper than those of the Manufacture of Silesia, . . . The Irish are also come to a great perfections in making a kind of cloth in imitation of Cambrick so that betwixt one and the other must considerably fall the Price of Sluyers so that it must be impossible to sell them.²

Meanwhile the Government policy of bounties on export was reinforced by additional duties on foreign linens and cambrics. John Badcock, a London merchant who specialised in gulix and cambrics, wrote in 1748 of a consignment of the former:

. . .the Duty is now threepence per Ell English more than last year: hope you will charge them very low to prevent this additional Duty making them come so much coarser for the Prices as to diminish the Sale. By these we shall be able to judge whether it will be worth while to visit you this year.³

In 1750, foreign cambrics, a great number of which had previously come through Amsterdam, were put under a prohibition, in an attempt to foster a home manufacture of cambrics. The task of keeping out smuggled cambrics appears to have been beyond the powers of the customs officers, and

¹ Arch. Brants 373: Danby and Grenville, 6 April 1742.

² Arch. Brants 373: Dochsey, 4 Dec. 1747.

³ Arch. Brants 373: Badcock, 27 May 1748.

the local manufactures were not particularly successful,¹ but the prohibition did make legitimate trade difficult, and John Badcock wrote in February 1750: "As it is very uncertain how long the Prohibitions of Cambrick may continue, we don't choose at present, to give any further commission on this Artickle."²

Before 1736, London merchants made substantial purchases of sail cloth from Amsterdam. Captain Harry Gough, for example, seems to have placed an annual order for about £500 of this commodity with Jan Isaac de Neufville. In 1731 he wrote:

I desire you will send me over per first Good Ship bound for London 200 Pieces Sail Cloth of ye Sorts of last year, and if you can find any heavier to send me 50 Pieces more and 20 Pieces of Brown Cloth, and Draw yr. Bill upon me. Direct to me at Ye Jerusalem Coffee House in Exchange Alley.³

Joseph Grove, an East India merchant, was an even better customer, buying sail cloth for his own vessels, which were insured with de Neufvilles.⁴ A typical annual order was placed in 1732:

I desire you would buy for me (and ship them as soon as you can conveniently) two hundred and sixty peices of Hollands Duck viz. two hundred peices of No 1 att 28 guilders apeice, and sixty Peices of No 3 att 23 guilders apeice. I desire there may be very particular care taken in the buying of them, they being for my own Ships, and if you think it for my advantage in the goodness of the Duck No 1 you may give half a Guilder apeice more.⁵

In 1736, however, the British manufacturers of sail cloth succeeded in getting their interests protected; in May Grove wrote that this "Act of Parliament made to encourage the British Manufacturer of Sail Cloth" made it necessary that his order for that year should be imported before 24 June, when the Act came into force.⁶ And later in that year he

¹ *The Substance of the Evidence* . . . , p. 26.

² Arch. Brants 373: Badcock, 13 Feb. 1750.

³ Arch. Brants 373: Gough, 16 July 1731.

⁴ Arch. Brants 373: Grove, 1 Feb. 1731.

⁵ Arch. Brants 373: Grove, 28 July 1732.

⁶ Arch. Brants 373: Grove, 25 May 1736.

wrote: "After 29th September Next, Every Ship that should be built in England is obliged to have one whole suit of Sales of English Cloth, which will of consequence lower the price of Holland's Duck."¹

The importation of foreign paper, often made in Holland, tended, like the business in linen and sail cloth, to dwindle in the face of the heavily protected home industry, and in 1742, Les Frères Gautier wrote from London: "We are pretty much out of Business and intirely discouraged out of the Paper Trade, which is brought here to a very low Ebb, and will decrease more and more, by reason of the great Quantitys made in England, which Manufactory encreases every day."²

The correspondence between the various elements in Anglo-Dutch trade from 1700 to 1750, leaves one with the overwhelming impression that though a great deal of indirect trading persisted, the whole structure of this kind of trade was being subtly undermined by a number of changes and shifts in the European economy. In the two sections of Anglo-Dutch trade, the Dutch entrepreneur was being eliminated: west country merchants were exporting cloth direct to Germany and to Spain, and importing linens direct from Hamburg and Bremen. London merchants already in 1730 had agents in Germany with whom they traded in linens, while British manufactures of linens, cambrics, sail cloth and paper—all previously imported via Holland—were now heavily subsidised and protected. These developments so affected prices as to make indirect trading unprofitable. Exports from London were tending to find final markets, as prices on Amsterdam became subject to recurrent slumps.

One result of these developments in Holland is clear: it is the decline of the Dutch linen export trade, and the decay of the Haarlem bleaching industry, where a turn-over of from 80,000 to 100,000 pieces in the early years of the eighteenth century was by 1800 reduced to less than a half that figure, and the number of bleaching factories dwindled from twenty

¹ Arch. Brants 373: Grove, 10 June 1736.

² Arch. Brants 373: Gautier, 22 Feb. 1742.

to eight. The verdict of the historian of the Haarlem industry is that Haarlem received its death blow from Ireland, where Huguenot invention and English encouragement (from the King-Stadtholder William III) established a world reputation for linen and linen bleach, and incidentally ruined one of Holland's most remarkable industries.¹ The second is more hypothetical but more fundamental: that as business difficulties increased and profits dwindled, and as re-exports—tobacco, tea, sugar, silks—and British cloth found final markets in Hamburg, Bremen, Altona, Bilbao, Cadiz, in Russia, France and Italy and the Baltic, without the intervention of the Dutch commission agent, and as direct imports to England and British manufactures eliminated him from the reverse trade, the temptations of easier money in financial dealings became irresistible to the Dutch trader. Whereas trade was daily becoming more irritating, the Dutch capitalist could, merely by making contact with an attorney in London, collect his 5 % on investments in the English Funds, or by speculation in normal times win up to 20 or 30 %. The rapid increase of foreign investment and speculative finance, particularly in the English Funds, must be correlated with these new difficulties which faced the Dutch intermediary trader.

¹ S. C. Regtdoorzee Greup-Roldanus, *op. cit.* p. 329.

PART II



Sir Joshua van Neck

CHAPTER III

THE TRANSITION TO FINANCE

(i) *The Growth of European Loans*

THE financial services of Amsterdam were indispensable to European trade in the eighteenth century, because more often than not, even when trade between different countries became direct, it was not reciprocal or continuous, and few exchange rates existed. Otherwise there was no reason (except the normal and cordial distrust which existed between the peoples of north and south Europe) why payments should not have been made directly. But traditional contacts and national suspicions combined with the abundance of capital to contrive financial pre-eminence for Amsterdam. Until 1763, for example, no exchange rate was quoted between London and St Petersburg. Consequently, payments for Anglo-Russian trade had to be made through Amsterdam.¹ As a result of the crisis, a rate of exchange was established between London and St Petersburg, and payments could subsequently be made without recourse to the drawing credit facilities of Amsterdam. But this was only a symbolic change, and it was common knowledge to eighteenth-century Europe that a large part of the enormous volume of bills in circulation issued from Dutch merchant bankers and ran at a commission of $\frac{1}{2}\%$.² It was during the Seven Years War that the money trade expanded most rapidly to meet the requirements of England and Prussia. The expenses of British troops in Hanover were covered very largely in Amsterdam, and ordinary merchant houses expanded their acceptances (often without collateral security in goods) until their turn-over in bills equalled that of the recognised bill-broking houses such

¹ van Dillen, "De Beurscrisis te Amsterdam van 1763" (*Tijdschrift voor Geschiedenis*, 1922), p. 253.

² Sérionne, *op. cit.* I, 167-9.

as Hopes, Pels or Cliffords.¹ There was a general tendency to forsake the goods trade and specialise in finance: for example, in 1756, Hope's turn-over of bills was 800, in 1777, it was 2159, while over the same period the number of chartering contracts dwindled from 89 to 22.² An eighteenth-century estimate concluded that if the Dutch merchants drew or accepted for foreigners to the tune of two hundred millions (running the whole year) their commission at $\frac{1}{2}\%$ would total at the end of the year six millions.³ Insurance opened up another field for investment, rates varying according to season and locality.⁴ The insurance houses were often active in supplying local credits and advances on security.⁵ Claims arising out of international trade (and out of foreign investments and speculation) were the basis of an enormous discount trade. The biggest Dutch bankers, the Hopes and the Pels, specialised in bill-broking, and from this function foreign loans emerged as a natural consequence, for although Hopes did not accept deposits, they allowed foreigners to regard the credit balance of their current accounts as deposits which could be drawn upon.⁶ Besides these developments, which were merely the normal outgrowths of commerce, large advances were made in the form of colonial mortgages and foreign loans. On mortgages the interest was from 3 to 5%, and substantial loans were made to the Dutch colonies, especially to Surinam, which was largely financed by Jewish capital from Amsterdam. Amsterdam merchants made an advance part-payment for goods which they were to sell on commission for colonial merchants, and the plantations themselves were used as security for this advance. The firms of van Marselis, Deutz, Abraham ter Borch, and van San-

¹ E. E. de Jong-Keesing, *De Economische Crisis van 1763 te Amsterdam* (1939), p. 216. See *infra*, chap. v (ii) *passim*.

² Sérionne, *op. cit.* I, 216.

³ *Ibid.* I, 169.

⁴ Rates from Amsterdam were to London $\frac{3}{4}\%$: to Brest and Bordeaux $1\frac{1}{4}\%$: to Mediterranean $1\frac{3}{4}\%$: to West Indies $2\frac{1}{2}\%$: to Northern ports $\frac{3}{4}-1\%$: Ricard, *op. cit.* I, 200.

⁵ de Jong-Keesing, *op. cit.* p. 216.

⁶ *Ibid.* p. 69.

theuvel made loans on mortgage to Surinam and other West Indian islands.¹ From about 1750 onwards, such mortgages were frequent, and in 1773 the British Government attempted to draw on the enormous capital resources of Holland to assist the sugar plantations of the British West Indies.²

Mortgages were not restricted to the colonies, for Holland had never known the veil of secrecy which the English landed nobility had drawn over their possessions, and land was easily transferred and mortgaged by a process of registration before a notary public. In eighteenth-century England, it was commonly rumoured that landed property was mortgaged to Dutch mortgagees, and a speaker in the House of Commons in 1737 remarked on "the great number of borrowers, who borrow only for supplying their own extravagance, or for the atoning of the extravagance of their ancestors".³ The description certainly covered a large mortgage negotiated by the Earl of Verney with Volkert van Jever of Amsterdam in 1748. Van Jever was one of the wealthiest members of the commercial aristocracy of Holland: he was a prominent Russian merchant and was Burgomaster of Amsterdam in 1748. Through the marriage of his daughter to van Schuylenburgh, he was intimately connected with the banking house of Cliffords, who with Hopes were the biggest bill-brokers in the Anglo-Dutch trade, and were, like Hopes, of English descent. (The first Clifford to go to Holland was the son of Henry Clifford, Vicar of Stow in Lincolnshire.⁴) Ralph, Earl of Verney, was involved in Anglo-Dutch finance in other directions, for he appears as a boarder on Sir Joshua van Neck's list for the loan of 1759.⁵ It is highly likely that the mortgage in question was originated to cover building extravagances, for in 1752 the Earl entered into a building competition with the family rivals, the Temples, and rebuilt

¹ Elias, *De Vroedschap van Amsterdam*, II, 874, 875, 950, 1054.

² See *infra*, pp. 182-186.

³ Hansard, *Parl. Hist.* x, 111-12.

⁴ Elias, *op. cit.* I, 215-16; II, 886, 1778-95.

⁵ L. B. Namier, *The Structure of Politics at the Accession of George III*, I, 68 (note).

Claydon House to Adam's design, adding "a Hall with a great dome, and a lofty Ball-room".¹ The original loan was for £47,000, but in 1776 more than £20,000 remained unpaid, and it was agreed that interest at 5% should be paid on this, the mortgagees receiving as security rights to all timber "growing, lying or being, upon the estates of Great Baddow".² In 1780 the daughter and son-in-law of van Jever (who had died in 1776) exhibited a complaint against the Earl in Chancery, in which they declared that in Trinity Term 1772, the late van Jever had himself exhibited a complaint against Verney and William Burke, demanding the performance of the covenant of an indenture of 1771 "for giving a real and specific security for payment of a sum of £47,000 and the interest therein mentioned". To this the Earl replied that up to 1776 he had paid off upwards of £30,000, that he intended to pay the rest as soon as he could, and begged that the mortgaged estates should not be sold or taken from him. It seems unlikely that the debt was ever completely liquidated, for the Earl suffered further heavy losses on his East and West Indian property, and Burke (who owed his introduction to Parliament to him) wrote about this time that the Earl's private circumstances were "very indifferent".³ It is impossible to say whether such transactions were common, but the Verney case does indicate that the current belief about foreign mortgages was not without some foundation.

Dutch capitalists had already appeared in the foreign loan business early in the seventeenth century. Louis de Geer, for example, appears as organiser of the Swedish mining industry and armament manufacturer to Gustavus Adolphus,⁴ fulfilling precisely those functions which the Fuggers had earlier performed for the Emperor. It is, however, in the second half of the eighteenth century that Dutch capital

¹ *Dict. Nat. Biog.*

² Chancery Proceedings, P.R.O. C 12. 582. 36. See Appendix A for two other Chancery cases in which Dutch holders of British stocks were concerned.

³ *Dict. Nat. Biog.*

⁴ A. B. van Veen, *Louis de Geer*, 1587-1652, pp. 30-2.

penetrated into every corner of Europe. The Trips and de Geers continued the loans to Sweden and were joined by Hopes and Horneca Fizeaux.¹ Daniel Hogguer had worked with John Law, and by ingratiating himself with Madame de Maintenon, secured a hold on the French loan business. In 1782, Jan Jacob Hogguer was appointed Commissioner-General for the Dutch trade with France. The firm of Fizeaux Grand lent to Sweden and Poland, Pels were concerned with Prussia, Hamburg, Courland and many other German states, and de Petersens were largely concerned with loans to Denmark. Hopes had early connections with Sweden and with the colonial mortgage business; then through their connections with the Courant Bank at Copenhagen came loans to the Danish West Indies, the Elector of Bavaria, the princes of Prussia, Count Ludwig of Nassau-Saarbrücken, the Kings of Poland, Spain, and France. In 1788, Henry Hope met Catherine II, and in the same year his firm took over the great Russia loan of nine million guilders from de Smeths.² Cliffords, whose collapse in 1772 was the central point of the great crisis in Amsterdam in that year, made substantial advances to Danzig and Denmark. The latter country also borrowed through the Amsterdam firm of Balde and Son.³ Loans to the Emperor on the security of his Silesian incomes and quicksilver mines were negotiated through the house of Deutz.⁴ In the case of these European loans, particular firms became traditionally associated with particular issues, for which they distributed prospectuses and in general acted as issuing houses and underwriters.

In the period 1740–80, however, it was the British Funds which took pride of place amongst foreign investments, chiefly because the developed financial organisation in London and the superior credit of the British Government made investment and speculation in the Funds more convenient and less risky. Fluctuations were exciting but not disastrous.

¹ E. Baasch, *Holländische Wirtschaftsgeschichte*, p. 195.

² Elias, *op. cit.* II, 1054–62.

³ Baasch, *op. cit.* p. 197.

⁴ *Ibid.* p. 202.

German loans appeared on the Price List of Stocks, printed by Cornelis van Tongelo for the Amsterdam Bourse in 1747, but the loan secured on Silesian incomes, for example, stood at 40-42 as a result of the political catastrophe of 1745.¹ British Funds had, on the other hand, been the object of more or less general speculation ever since about 1710, though there was a rapid expansion of this speculation in the forties, and a whole apparatus of investment and speculation had been devised to meet the demand in Holland. Issues were not specialised in particular firms as in the case of the other European loans, but were spread amongst a number of houses which had branches or agents in London and Amsterdam.² Fresh British issues provoked a predictable response in Holland—a circumstance which began to arouse considerable chagrin in France, where the value of Dutch financial assistance was beginning to be realised. In 1760, Astier, the French consul at Amsterdam, wrote that the English had opened a loan of twelve million sterling at 3%, to be forthcoming at the end of the year, and the principal houses of Amsterdam were expected to subscribe sums up to forty million livres.³ It was, remarked Astier laconically, not so difficult to understand why the British had of late years shown increasing respect for the Dutch flag.

(ii) *Britain as Borrower*

Eighteenth-century writers differed a great deal in their opinions as to the desirability of depending on Dutch capital: all were agreed, however, on its importance, and French, Dutch and English observers speculated about its probable effects on the Anglo-French struggle. To take French impressions first: Luzac, in his account of the Dutch economy,⁴ gave a description of what he called "the artificial power of Eng-

¹ Van Dillen, "Effectenkoersen op de Amsterdamsche Beurs", *Econ. Hist. Jaarboek*, xvii (1931).

² See *infra*, chap. iv *passim*.

³ Van Dillen, "De Beurscrisis te Amsterdam van 1763" (*Tijdschrift voor Geschiedenis*, 1922), pp. 245-6.

⁴ Luzac, *La Richesse de la Hollande* (1778), II, 290.

land". Luzac had an axe to grind: he wanted a Franco-Dutch economic and political alliance, because he believed that Dutch neutrality and Dutch capital had assisted England in its fight to dominate Europe and India. He argued that England could not, from her own capital resources, have maintained such an immense navy, a land army in Europe, and great numbers of troops in three other quarters of the world, and have supplied subsidies to sustain her influence, as she had done. She must have had other resources.

Ce sont, surtout, les fonds des Hollandois, et les négociations perpétuelles des emprunts de l'Angleterre à la bourse d'Amsterdam, qui ont été la base et le principe actif de cet artifice. Sans ce secours, l'Angleterre, forcée de borner ses levées de troupes, ses subsides et sa marine à proportion de sa population, de son territoire, en un mot, de ses facultés naturelles, seroit nécessairement restée dans les justes limites de son ancienne puissance, et ne feroit pas craindre aujourd'hui l'abus d'une puissance excessive. Ce fut par le secours de l'argent des Capitalistes Hollandois, et par l'agiotage d'un grand nombre de maisons de commerce d'Amsterdam que l'Angleterre trouva tous les ans, dans des emprunts, pendant la dernière guerre, tous les frais de chaque campagne.¹

For Luzac saw the contrast between the policy of England, which reflected a belief that economic supremacy could only be grounded in political power, and that of Holland, who, fortunately for England, had overlooked the fact, and so acquiesced in the policy of neutrality which is one of the dominant factors from 1713 to 1780.

Another writer, the French author of the "Bilan" or "Balance" of England, asserted that a third of the British national debt belonged to Holland, to which Britain sent annually interest amounting to £1,400,000.²

In England, very little was known, except that foreign (i.e. Dutch) investors had pretty heavy claims on this country, and thus caused a good deal of anxiety over the Government debt. Actual figures were difficult to come by, and economists

¹ Luzac, *op. cit.* II, 290-1.

² Quoted by I. de Pinto, *Traité de la Circulation et du Crédit* (translated by Rev. S. W. Baggs, 1774), p. 64.

were not much more enlightened than the general public. Apart from William the Third's calls on his Portuguese Jewish financiers, however, investment and speculation began to attain some volume by about 1710, and by 1717 had become considerable. Dutch speculators gambled heavily in the South Sea Bubble, but were sufficiently shrewd to avoid the more obvious swindles; and in 1737 the Government spokesman on Sir John Barnard's motion to reduce the interest on the National Debt, quoted the figure of ten million pounds to represent the Dutch holding,¹ remarking that if the interest were reduced, the Dutch would draw out all their money—"and what a shock the drawing of so much ready cash out of the Kingdom must give to our Public Credit... I shall leave gentlemen to consider". Later in the century, Sir James Steuart, in his account of the movements of money during the Seven Years War,² described how, after the fall of French credit towards the end of 1759, Great Britain had the command of all the money to be lent in Europe: accordingly, "amazing sums" were borrowed between 1760 and 1763. "Of the sums borrowed", he continues, "a great part, we doubt, was the property of strangers, but they, not being so well acquainted with the affairs of this nation as the English themselves, instead of subscribing to the loans, lent the money to our own country-people, who, in hopes of a great rise upon the return of peace, filled the subscription with borrowed money."

It is this influx of Dutch money into Britain which helps to explain the eighteenth-century phobia against the National Debt, which is incomprehensible in the pre-Radical age if it is assumed that it was merely due to indignation over those inequalities of taxation necessary to meet an obligation due from Englishmen to Englishmen. Clearly to many eighteenth-century economic thinkers, who had few statistics and suspected the worst, the National Debt was largely owed to

¹ *Parl. Hist.* x, 111, 139-40.

² Steuart (*Complete Works*): *An Inquiry into the Principles of Political Oeconomy*, iv, 68.

foreigners. From the discussions on the National Debt we can catch a glimpse of public opinion in England on these foreign obligations. Malachy Postlethwayt, for example, spoke with vague horror of the "Millions upon Millions which the Dutch have invested in our Funds, so that we pay them above a million a year in interest".¹ In this light the crop of schemes, mostly nonsensical, to pay off the National Debt, and the continuous and eventually successful pressure on the Government to reduce the interest on the Debt, are given a new significance. Postlethwayt, discussing Public Credit, says clearly that "The great argument for the reduction of interest has been the large sums that are paid to foreigners for interest on that proportion of the National Debt which is due to them".² The problem was not simple, however, because it was by no means certain whether England could lightly dispense with this useful supply of capital. A large body of opinion held that she could not, and that an Act which arbitrarily excluded them from holding British securities would have disastrous effects. Postlethwayt, for example, urged that the foreigners ought to be paid out gradually, and on the same conditions as British investors. After that they might be excluded, and would "entertain so high an opinion of the public credit of the nation, when we should be able to do without any of their money, that numbers of the more opulent would take up their abode among us, become naturalised, and they and their families become one with ourselves, for the sake of being proprietors in our public funds".³ The second half of this conjecture was partially fulfilled, and one of the most interesting social consequences of the close financial ties between England and Holland is the growth of a large Dutch colony in England.⁴ Many were resident in or about London, and were deeply involved in

¹ M. Postlethwayt, *Dictionary*, Section "The Funds".

² M. Postlethwayt, *op. cit.* Section "Public Credit". He continues in his paragraph on "The Funds" that "It will increase our riches... by reducing those vast dividends the foreign proprietors of stocks have now remitted to them, whereby more money will be kept in the nation".

³ *Ibid.*

⁴ See *infra*, chap. iv *passim*.

Government finance. One of the best known was Sir Joshua van Neck, who was one of the principal underwriters of Government loans in the middle of the century.¹

Postlethwayt's suggestion for getting rid of the foreign creditors was a debt-paying fund, out of which they might gradually be paid off. He wrote:

I have dwelt the longer on the nature and powerful efficacy of a DEBT-PAYING FUND, if I may be allowed the expression, because it appears to be the most natural, as well as the most effectual way that ever was proposed, for the payment of our National Debt—it is moreover the most gradual, and a method the least detrimental to the public creditors, for discharging their debts, and, perhaps the only way we can fall upon to get out of debt to FOREIGNERS, and contract fresh debts only amongst ourselves, by new loans upon new funds, whenever the emergencies of the State require it.²

Sir James Steuart took a view similar to Postlethwayt's, observing in his *Inquiry into the Principles of Political Oeconomy* that the most important object in paying off public debts was "to get quit of those due to strangers".³ The foreign creditor, then, was a source of discomfort to the eighteenth-century economists, largely because he cut across their theories of national wealth. They assumed, naturally, that the interest debt represented a total loss to Great Britain—and probably a loss of bullion—a theory which, as we shall see, was rightly discredited by Dutch writers. For the most part, the interest earned by Dutch bondholders was either reinvested, or allowed to accumulate, or counted as a credit item on a commercial contra-account.⁴

In Holland, on the other hand, the English Funds were already popular with investors and speculators before the South Sea Bubble mania swept Holland into the frenzy of speculation. The dynastic changes had combined with the exigencies of war finance to draw Holland into closer financial relationship with England, and to systematise the sporadic

¹ See L. B. Namier, *op. cit.* 1, 69.

² Postlethwayt, *op. cit.* Section on "Public Debt".

³ Steuart, *op. cit.* IV, 146.

⁴ See *infra*, pp. 142-143.

(a) List of Stock Prices sent to Amsterdam customers by Stephen Daubuz (*Archief Brants*, 402).

London 18 th Dec ^r 1730	
South Sea Stock	108 1/2
East India Stock	106 3/4
Bank Stock	140 1/2
Million Bank	143 3/4
Lottery Annuit ^y 1730	108 1/2
London Assurance	97 1/2
Royal Exchequer	12 1/4
Work Buildings Stock	27 1/4
African Stock	178 1/4
South Sea Bonds	108 1/2
India Debt	108 1/2
Refusals	
India for 1 st m	108 1/2
Debt for 1 st m	108 1/2
South Sea for 1 st m	108 1/2
Debt for 1 st m	108 1/2
Bank for 1 st m	108 1/2
Debt for 1 st m	108 1/2
Putts	
India for 1 st m	108 1/2
Debt for 1 st m	108 1/2
South Sea for 1 st m	108 1/2
Debt for 1 st m	108 1/2
Bank for 1 st m	108 1/2
Debt for 1 st m	108 1/2

(b) List of Stock and
Commodity Prices, and
European Exchange
Rates, sent to David
Leeuw of Haarlem by
his London Agent, P.
Crellius (*Archief Brants*,
401).

LONDON, A. Septemb ^r A. 1719
Wissel p ^r Amsterdam 2 Ufo ————— s 35:6a7
kort zigt ————— s 38:4-5
Rotterdam 2 Ufo ————— s 35:8a9
Antwerpen 2 Ufo ————— s 36:1
Hamburg 2 Ufo ————— s 34:9
Parys 2 Ufo p ^r Crown ————— s 29:4
Madrid Ufo of 2 p ^r 8... s 47:4
Cadix Ufo of 2 p ^r 8... s 47:4
Venetiën Ufo of 2 p ^r 7... s 48:1
Livorno Ufo of 2 p ^r 7... s 48:4
Genua Ufo of 2 p ^r 7... s 48:4
Lissabon 12 zigt p ^r 1000... s 5:4-8
Dublin p ^r C. ————— 9:4
Cork p ^r C. ————— 9:4
4 Loads Bayenale p ^r Ellas d ^r , 1000, 400 1
Athen Bank ————— p ^r C 100 p ^r 1000 1084:7
Oost Indien ————— p ^r C 100 p ^r 1000 1084:7
Seydece ————— p ^r C 100 p ^r 1000 1084:7
Bank Annuitys p ^r C. geen trancken
Loth. Annuitys. p ^r C. de
Mell. Bank ————— p ^r C 113 1/2 1184:9
Nieten 10 £ Lottery oA. 1710. Elo: f. 10
Interess 4 p ^r C. ————— 1713. p ^r C 100 1084:7
5 p ^r C. Nieten 1714. p ^r C 100 1084:7
4 p ^r C. Pzyzen Ditto p ^r C 100 1084:7
Tarw Roode gemene oude p ^r Quarter. s 22:1
Ditto Nieuwe ————— s
Ditto Bisse Oude ————— s 22:24
Ditto Bisse Nieuwe ————— s
Ditto Witte Oude ————— s 24:2
Ditto Witte Nieuwe ————— s
Rogge ————— s 18:13:6
Garst ————— s 17:14
Mout ————— s 17:14
Harer ————— s 18:11
Ereten. ————— s 10:12
Bonen ————— s 23:1
Korkeant van 10 Quarters p ^r Last — E 10

loans of the seventeenth century. By 1719 at the latest, price lists giving quotations of British Funds in London were known on the Amsterdam Bourse,¹ and the following year Dutch speculators figured in the lists of Bubble gamblers. Many writers, in this period, and later in the century, dealt with the possibilities of British investments and speculations, but perhaps the fullest account may be gathered from the writings of Isaac de Pinto, a Dutch Portuguese Jew of high culture and Tory leanings, who had had wide practical experience of Anglo-Dutch finance in his own adventures on the Amsterdam Bourse, and in his liaison work between the English and the Dutch East India Companies.² As a result of this last effort he was ultimately granted a pension of £500 a year by the English Company, and later wrote letters defending British policy towards the rebellious American Colonies.

The *Jeu d'Actions* of de Pinto is a useful and accurate sketch of the technique of the Amsterdam money market, particularly in relation to investment and speculation in the British Funds.³ But more general is the *Traité de la Circulation et du Crédit*, and here de Pinto gives the answer to the problems which worried Luzac. The *Traité* is partly a study in comparative finance which does a good deal to explain why Dutch money was attracted to England rather than France. De Pinto shows us England and France with their respective financial systems as they appeared to a prospective foreign investor, and it is clear that the superiority of the British financial system over the French gave Britain added prestige in the eyes of Europe, as well as the actual material for military success. This superior credit enabled Britain to attract all the unemployed money of Holland. It was not, said de Pinto, as Mirabeau claimed, credit which had ruined France: on the contrary, it was lack of credit. If the French Government had kept faith over its loans, as England had done, half the debts of France would have been unnecessary, and the interest charges would have been reduced by at least half. Military success was determined largely by the ability to find money

¹ See Plate II (b). ² See *infra*, p. 162. ³ See *infra*, pp. 83-87.

at the decisive moment, and not a moment later, and by a resolution not to spoil the ship for a penn'orth of tar.¹ England had seen the truth of this, and her credit was the backbone of her economic system in time of war. "Le Crédit", wrote de Pinto, "est assurément l'une des principales causes des autres avantages que l'Angleterre a eus sur la France dans cette dernière guerre, car il a fait valoir tous les autres, en les mettant en activité."² British expenditure on military and naval equipment was prodigal, but Britain could afford it because her credit was always good, and Holland was always there ready to lend more money when the occasion arose. France, on the other hand, had constantly thrown away her opportunities. In 1755, her credit had been better than that of England,³ but the opportunity was not seized, and from 1760 to 1762, as Steuart remarked, Dutch money poured into the English Funds. This enormous expenditure, in fact, was not prodigal if it achieved what could not have been achieved with a fraction less: de Pinto estimated, for example, that if the English had sent a third less vessels and troops to conquer Havana, the whole expedition would have miscarried.⁴

De Pinto estimated that there were five essential conditions for national credit which existed in England and did not exist in France. First, loans must be national; that is to say, the body of the nation must be answerable for them, as Parliament was in England. It was true that the French Parlement carried less weight than the British Parliament, but, nevertheless, its responsibility would contribute to the national credit. Secondly, he thought it ought to be possible to mortgage the funds to pay interest, a part of the taxes and duties being marked off separately for each loan. Thirdly, a Sinking Fund should be employed to pay off debt, and it should be allowed to accumulate constantly and inviolably. Fourthly, all financial affairs should be made public, and all air of mystery should be banished, to establish confidence.

¹ de Pinto, *Traité*, pp. 170-1.

² *Ibid.* pp. 98, 99.

³ *Ibid.* p. 172.

⁴ *Ibid.* pp. 66-7.

Fifthly, in order further to inspire confidence, the public and the foreign lender must be reassured about future operations, so that they would no longer have to fear that on some pretext or other, interest would be arbitrarily reduced, without an opportunity being given to withdraw invested capital: principal should not, in future, be reduced as it had been in the past in France: a loan issued at a 100 must be paid out at a 100, and such operations should not depend on the whim of a Ministry but should be referred to the *Parlement*.

Again, in England, the law allowed, even if it did not encourage, speculation; in France, legal difficulties arose out of the extension of the French law against mortgages.¹ So whereas a speculator only needed about 20% cash to buy his shares in England or Holland, paying moderate interest on his borrowings, this was impossible in France. In England, even the laws against stock-jobbing remained a dead letter in practice. By comparison, England had “avec moins de ressources apparentes que la France, un crédit plus brillant—”.² Lastly, whereas the Sinking Fund was a great source of strength, the French “*Caisse d’Amortissement*” had disappeared “comme un phantôme”.³

In spite of his admiration for British financial integrity and confidence in British credit, de Pinto could not help being slightly shocked by the enormous augmentation of the British National Debt: the real cause of this was, in his opinion, the English vice of excessive luxury, and he goes on: “Le caractère de cette Nation est de porter tout à l’excès. L’extrême est sa devise. Vertu, vice, tout y est poussé à l’extrême: les Anglois mettent peu d’économie dans leur dépense publique en tems de guerre: ils font par le plus ce qu’ils peuvent faire par le moins.”⁴ His final verdict is the same as Luzac’s, and he sums up the political and economic consequences of Britain’s foreign credits as follows:

Ce qui mérite plus d’attention, c’est que sans le supplément de l’Étranger, qui fait le complément de la puissance et contribue

¹ De Pinto, *Traité*, pp. 77–9.

³ *Ibid.* p. 99.

² *Ibid.* p. 98.

⁴ *Ibid.* p. 62.

beaucoup au jeu et par conséquent à la circulation, l'Angleterre n'auroit pas trouvé d'aussi grands moyens, et le manque de ces suppléments auroit peut-être empêché et affoibli tous ces efforts.¹

What is important is that French, Dutch and British observers were all agreed that Dutch money was important and even indispensable to the British Government, during a period which lasted, roughly, from the later years of the seventeenth century² until 1780 at all events, and perhaps later. Estimates of the actual sums lent are difficult to come by, and such as there are are obviously unreliable. The amount varied a great deal from year to year, and even from month to month, with political scares and rumours, but two estimates which seem pretty reliable are those for 1737 and 1776. The first³ gave a figure of ten million pounds: the second is attributed to Lord North, and puts the total of Dutch investments in 1776 as fifty-nine million pounds, or three-sevenths of the total debt.⁴ These figures, of course, refer only to stock inscribed in the name of the Dutch holder, and do not include private investments like mortgages on real property,⁵ or those cases mentioned by Steuart, in which Dutch investors and speculators lent their money to private individuals in England, who carried out speculative transactions for the foreigner. It is probably impossible to estimate the extent to which such private contracts developed. All that can be stated is that the belief was held that they were common, and that enough evidence exists to prove that this was not an idle superstition.

The effect of this Dutch investment was, then, to provide the British Government with a valuable and reliable source of supplementary capital, in a period when the supply of capital at home was fluctuating and none too plentiful, and when the Government itself was indulging in expenditure well beyond its real income. The more indirect results—

¹ de Pinto, *Traité*, p. 62.

² See *infra*, pp. 90–91.

³ See *infra*, p. 108.

⁴ *The Economist* for 15 Feb. 1913. Also J. B. Manger, *op. cit.* p. 17: quoting *Brieven over de Noord-Amerikaansche Onlusten* (Utrecht, 1777).

⁵ See *supra*, pp. 67–68.

stimulation of industry through extra Government contracts—cannot be dissociated from the general expansion of the Government debt. Lastly, the daily gambling in Amsterdam increased the volume of business in London, where London agents carried out transactions for their Dutch clients; and Dutch sentiment often had important effects on stock prices in London.¹ In order to carry out these transactions, a technique was devised by which purchases and sales and time bargains were transferred from Amsterdam to London. While, therefore, for Britain, this period from 1720 to 1780 was a time of increasing accumulation of capital, when industry expanded under the stimulus of Government contracts, bounties, and tariffs, it was for Holland the end of the flowering time of her economy. It was inevitable that financial operations should develop at the expense of active trade, but it may be wondered whether the drawing off of so much capital to find higher interest rates abroad did not harm the economic structure of the country. The vested interests of the older staple merchants were opposed to any systematic tariff arrangement,² and the interests of the participants in foreign loans lay in the same direction.

(iii) *Financial Technique on the Amsterdam Bourse*

With the appearance of marketable British securities, and the application to them of a speculative technique which was already well understood, the Amsterdam Bourse became the scene of international finance at its most abstract and most exciting—gambling in foreign securities. Dutch speculators operated either at Amsterdam or through agents in London, and rumour had it that London brokers benefited to the tune of £80,000 annually in the payment of contango rates for foreigners' speculations in Change Alley.³ From time to time, London merchants themselves speculated on the Amsterdam Bourse, though the business this way was comparatively small.

¹ See *infra*, p. 138 and chap. v (i) *passim*.

² van der Kooy, *op. cit.* pp. 53–7.

³ J. Francis, *Chronicles and Characters of the Stock Exchange* (1850), p. 71.

Only one writer—the author of *Les Vrais Intérêts du Commerce* (1773)¹—makes anything of it, and his exaggerations are clearly absurd. His case was that Sir John Barnard's Act of 1734² had, by forbidding time bargains in the strictest terms, driven all such speculative activities to Amsterdam—"Les Stok-jobbers ou Actionistes se sont vus obligés d'établir leur Académie de jeu d'Actions à Amsterdam".³ Thus, he says, an enormous commerce in shares for English speculators had grown up at Amsterdam, the commission on which brought in half a million guilders to the Dutch correspondents.⁴ Now it is clear that the Act against stock-jobbing would check speculation for a short time. A few months after the Act was passed the Amsterdam broker Robert Hennebo wrote to his client Simon Bevel, a silk manufacturer of Haarlem, that an artificial fall in English Funds was impossible, because the Act had forbidden the giving of put and call options and time bargains on severe penalties. As a result there were only cash sales and purchases in London.⁵ Apart from this purely temporary stoppage, however, speculation in Change Alley was not checked. J.B.J.N.'s case is, in fact, absolutely false. In the first place, the speculative market in British securities at Amsterdam was already flourishing in 1720, fourteen years before Barnard's Act. In the second place, Barnard's Act was generally agreed to have been a dead letter almost from the start, though its appearance aroused a good deal of indignation and anxiety amongst the stockbrokers and "the maledictions poured upon Sir John were loud, deep, and frequent".⁶ John Francis wrote that this "enactment...intended to prevent gambling in the Funds, has been utterly and singularly powerless in its effect. One hundred and sixteen years have passed, the Act is still in force, and speculative bargains have not only increased, but form the chief business of the Stock

¹ Koninklijke Bibliotheek, No. 19,004, by J.B.J.N. "négociant à Amsterdam".

² 7 Geo. II, c. 8.

³ *Op. cit.* p. 26.

⁴ *Ibid.* pp. 27-8.

⁵ Dr L. van Nierop (*Econ. Hist. Jaarboek*, vol. xvii, 1931): Hennebo-Bevel, 19 June 1735.

⁶ J. Francis, *Chronicles and Characters of the Stock Exchange* (1850), p. 75.

Exchange".¹ Lastly, J.B.J.N.'s only evidence came from Ireland where a certain George Smith, an Irish "stok-jobber", had taken a continuation for £200,000 with an Amsterdam broker, Das. The explanation seems to be that J.B.J.N. was merely working up a case against de Pinto, whose *Traité de la Circulation et du Crédit* was his main target.

The bulk of the speculation on Amsterdam was done for Dutch capitalists, with occasional transactions for Dutch investors living in England.² The speculative technique, which was adapted to the English Funds in the eighteenth century, had originally been evolved in the course of speculative deals in the shares of the Dutch East and West India Companies. When the new Dutch East India Company was formed in 1602, it was required that the names of the shareholders should be inscribed in the books of the Company, and such shares could only be transferred in the presence of two Directors and the owner of the stock.³ "Futures" were already well known in the grain and herring trade, and were quickly applied to the new inscribed stock. The shares of the Amsterdam chamber of the new Company were regularly traded on the Bourse: the rigid transference regulations prevented much speculation in shares of the provincial chambers. Sellers on time did not need to have the shares in their possession at the moment of sale, and as a result there arose a series of complicated mutual obligations. Even in 1609 a group of "bear" speculators was formed to deal in the shares of the Company for the common profit of the members, and as the result of a dispute between these speculators and the Directors, a decree was issued in 1610 directing that shares which had been sold must be transferred at the latest a month after sale.⁴ This blow at the development of a contango system did not check speculation for long, and in the *Confusion de Confusiones* Joseph de la Vega described what was actually a mature speculative market. There were, according

¹ J. Francis, *op. cit.* p. 72.

² See *infra*, p. 141.

³ van Dillen, "Isaac le Maire et le Commerce des Actions" (*Revue d'Histoire Moderne*, 1935, p. 16).

⁴ *Ibid.* pp. 19-26.

to de la Vega, three types of participant in the share-market. First, great capitalists looking for a permanent investment for their money, who made real purchases and sales. Secondly, substantial merchants who bought and sold, risking only a part of their capital in moderate and pretty safe speculations. Thirdly, there were the gamblers.¹ A group of brokers (*makelaars*) worked for the first and sometimes for the second class. The correspondence of the broker Robert Hennebo of Amsterdam with his client Simon Bevel, a Haarlem silk manufacturer, about the latter's speculations in the English Funds in 1735 and 1736 has thrown light on this type of relationship.² Hennebo was a real gambler: after seeing military service—he fought at Oudenarde—he took a beer-house, made a fortune and went to Amsterdam where he took the famous “Golden Fleece” Inn. On his profits he went into stockbroking, with varying success. Bevel was a substantial merchant, who might go into either of de la Vega's first two classes of speculators. All his speculations were in English Funds, on which Hennebo, who was in constant touch with London, kept him advised. From these and other descriptions of the technique, it is clear that only a few changes were made, and those merely changes necessitated by the fact that the new objects of speculation were foreign securities. Thus the attorney system developed,³ a special *rescontre* day was appointed for English Funds, and the influence of political factors on the share-market produced such new speculative devices as the “backwardation”. While the transfer of stock necessarily took place at the Bank, or India House or South Sea House, buying could be done either at Amsterdam or London. Some investors, like Bevel, employed a broker. Others, like David Leeuw, bought through correspondents in London, and seem to have negotiated their sales and purchases in Amsterdam themselves, without the intervention of a broker.

¹ Smith, *op. cit.* p. 90.

² Dr L. van Nierop (*Econ. Hist. Jaarboek*, vol. xvii, 1931).

³ See chap. iv (ii).

The technique of speculation in the British Funds at Amsterdam is fully described by Isaac de Pinto (Joseph Salvadore's Amsterdam correspondent)¹ in his *Jeu d'Actions en Hollande*. This little tract on stockjobbing (omitted from the English translation of de Pinto's works by the Rev. S. W. Baggs, M.A., as being "injurious to private and public morality") was written between 1761 and 1763, but not published until 1771 at Amsterdam. De Pinto's interest in this pamphlet lay with the second and third of de la Vega's categories—the moderate speculators and gamblers, rather than with capitalists seeking real and permanent investments. The commerce, or "jeu" in shares, says de Pinto,² was a kind of gamble carried on every three months: no payments were made except on *rescontre* (settlement or carry-over), i.e. the period for which funds were bought or sold and for which options were given or taken. *Rescontredag* (contango day) occurred four times a year, and on these occasions representatives of the speculators gathered round a table to regulate or liquidate their transactions, and to make reciprocal payments for fluctuations or surpluses. Normally these fluctuations were settled without the actual value of the funds in question being paid—only real investors paid cash for their purchases. Speculative buyers paid to sellers the percentage by which the funds had fallen since last contango day, or alternatively received from them the percentage by which funds had risen in the same interval. After surpluses had been paid, new continuations were undertaken for the following settlement. In such a *prolongatie* (continuation) the buyer granted the seller a certain percentage (a contango rate) to prolong his purchase to the next *rescontre*: in this way he stood the chance of benefiting by a rise in quotations in the interval, without tying up his capital: he was only bound to pay any possible marginal fall.³ The *prolongatie* was charged for at a rate based on the dividends which the funds bore. But if there were many speculators *à la hausse* (bulls) the contango rate became proportionately dearer, bringing a clear advantage

¹ See *infra*, pp. 162–163.

² *Traité*, p. 291.

³ *Ibid.* p. 292.

to the sellers. Conversely, a big proportion of sellers reduced the contango rate. Under the pressure of political events in 1755 the "backwardation" rate appeared, paid by speculators *à la baisse* (bears) for the privilege of deferring the delivery of stock sold. To take a hypothetical case: a speculator buying £1000 Annuities on the August settlement for November could either pay cash and actually take the stock, or he could arrange to mortgage it until November, or—and this was the most common procedure—he could continue his transaction until the next account day.¹

Options were the province of the out-and-out gamblers. A *prime à délivrer* (a call) was the option which *A* gave to *B*, obliging him to deliver on the following *rescontre* certain English securities—say £1000 East India shares—at an agreed price. If the speculation of the giver of the option was unsuccessful, he merely lost his option: if, on the other hand, the funds rose, he had the benefit of the rise. The *prime à recevoir* (a put) was the option given by *A* to *B* by which *B* was pledged to take from *A* on *rescontre* £1000 East India shares, say, at an agreed price. *B* became, in fact, a kind of insurance for *A*, obliged to make good to him the margin by which the funds might diminish in the interval. As *rescontre* approached, options were also carried over to limit losses, the rate being for obvious reasons higher than the ordinary contango rate.² To take a concrete example:³ *A* is a Dutch speculator who has decided in June 1762 that peace will come before the winter. He knows that this will send up the quotations for the English Funds. He therefore gives an order to his correspondent to buy £1000 4 % Annuities for the August *rescontre*: this is carried out at, say, 82. The August *rescontre* arrives, rumours of peace have sent up Annuities to 88 and *A* persists in his notion that peace will be made: he then arranges with the seller to give him a contango rate of 1 or 2 or 3 %, pledging himself to take the £1000 Annuities on the November *rescontre*. The rate would fluctuate in proportion

¹ *Traité*, p. 293.

² *Ibid.* p. 294.

³ *Ibid.* p. 295.

to the amount of money available and the number of the optimistic speculators. The basic *rescontre* rate for 4 % Annuities was 1 % for each *rescontre*, coming to 4 % per annum: East India funds bearing 6 % had a 1½ % *contango* rate, so that the seller made good the dividend to the purchaser. When opinion was optimistic, prolongers had to pay for time and hope, and 1 % became 2 or 3 %. According to de Pinto, "bull" speculators taking continuations made 10–12 % profit "without being in any way accused of usury or subjected to any censure".¹ Dutch Calvinism was on this point less exacting than the severe Quakerism of Sir John Barnard, and de Pinto remarks significantly that "the most austere and rigid folk have done, and can do, this business".² Other speculators who had raised the wind by pawning funds at 4 % were still able to make 10 and 12 % profit. Thus a gambler only needed about 10–15 % of the capital value of his speculations to pay the fluctuations in the prices of his stock on *rescontre*: with this cash he could buy and sell for thousands. The only danger lay in some revolutionary political event which might occasion a fall of 30 % or more in the Funds: such a collapse skittled out all but the dealers with solid capital resources. To recapitulate the methods to be adopted by a buyer of £1000 Annuities at 82 which have risen to 88. First, he could take them by paying cash. Secondly, he could pawn them at Amsterdam or London: it was enough if he had £200 cash to cover surplus payments. In this case, the stock went off the market in the same way as that bought by real investors, giving an appearance of scarcity which would induce "bears" to buy back and cause a rise: the pawned stock could then come out to the profit of the "bulls". Pawning was regarded as safe and easy in peace time but dangerous in war time, particularly when speculators pawned more than their real assets. The third way open was to sell the £1000 Annuities on the next *rescontre*, either taking one's profits or paying one's losses. Lastly, and most commonly, the buyer could take a continuation to the next

¹ *Traité*, p. 296.

² *Ibid.* p. 296.

rescontre, settling the fluctuation and attempting to procure his continuation on the best terms.

"Puts" and "calls" also ran from *rescontre* to *rescontre*—1 February to 1 May, 1 May to 1 August, and 1 August to 1 November. The "call" option (*prime à délivrer*) was an option for an anticipated rise. A speculator who believed that East India stock at 147 would rise by the November *rescontre* but could not afford to buy, could risk a call option of 2 or $2\frac{1}{2}$ %: the taker of the option thereby pledged himself to deliver £1000 East India shares on 1 November at 150. In this transaction only the taker of the option was bound down: the giver had the option on 1 November to take or to refuse delivery of the stock. The "put" (*prime à recevoir*) was an insurance measure taken by a speculator who actually possessed funds but feared that by some catastrophe a fall would ensue: by an outlay of a small percentage on his option, he obtained the right to sell his stock at the present price on the following *rescontre*.¹ In either case, if news was received that the anticipated movement of quotations was likely to be reversed, options could be converted. In troubled times, options were converted as often as three or four times, and profits of 30 % realised.

The *rescontre* day was already established in de la Vega's time, but sometime in the eighteenth century, the speculators in English Funds seem to have acquired their own *rescontre* day, on 1st or 15th February, May, August, and November.² Hours of business were from 6 to 10 in the evening, and the officers of the *rescontre* included a judge of disputes, a jury of three deciders, and a permanent secretary.³ Articles regu-

¹ *Traité*, pp. 299–304.

² The matter is not altogether clear. Dr Smith (*op. cit.* p. 139) points out that whereas de Pinto names the 15th of the month as the day, a *rescontre* regulation for 1764 mentions the 1st. The author of *Les Vrais Intérêts du Commerce* says (p. 26) that there were two *rescontres*—for the English Funds on the 15th and for the shares of the Dutch West India Company on the 1st of the month following. The document of transfer (see fig. 2, p. 100) clearly names the 1st of the month.

³ Smith, *op. cit.* p. 135.

lating *rescontre* procedure and dated 1 May 1764, directed that qualified rescontrants should fix a day for checking and passing accounts. A day before settlement, the rescontrants had to decide which shares—India, Bank, South Sea or Annuities—should start the ball rolling: this programme was binding on all rescontrants. All surpluses had to be paid before the 18th of the month following *rescontre* month: the only proviso was “that the English letters confirming the acceptance or non-acceptance of the transfers and settlements of our *rescontre* must be given out on or before the 15th day of the aforesaid paymonth, for in so far as the said letters shall be missing, payment of surpluses in general shall be wholly suspended till on or before the 3rd day after the said letters shall be given out”.¹

Most of the business of the *rescontre* consisted in settling mutual obligations of speculators buying and selling *du vent* (speculatively). The rescontrants sat round a large table and each one dealt with the transfer and surpluses of his dozen or more clients.² A rescontrant would begin by stating that *A* had sold *B* £1000 in one of the Funds: *B*’s rescontrant then either paid up, or arranged a continuation, or, if he had sold to a third person, passed the ticket on until it reached the real purchaser. Ultimately, stock bought was paid for, stock sold was delivered and the differences arising out of speculative transactions were met. If there was much real selling, prices fell: heavy buying produced a rise: a scarcity of money brought up the contango rate and sent down actual prices (this actually happened to East India shares in 1769).³

¹ Smith, pp. 136–7 (translated).

² de Pinto, *Traité*, p. 306.

³ *Ibid.* pp. 307–11.

CHAPTER IV

ANGLO-DUTCH FINANCE

(i) *The Growth of Financial Ties between England and Holland*

THE abundance of capital awaiting investment, the restriction on commercial opportunity, and the low rate of interest in Holland all combined to make the eighteenth century the age of international finance for the Dutch, and in particular the Golden Age of Anglo-Dutch finance. But though the decline of trade stimulated foreign lending, it did not originate it, and there is plenty of evidence that Amsterdam succeeded almost immediately to that hegemony in international finance which had belonged in the sixteenth century to Antwerp. Already in the seventeenth century Dutch capitalists were lending substantial sums to Brandenburg, Denmark, Sweden, Hamburg, Bremen, Emden, East Friesland, and the Empire.¹ These loans were not, in general, paralleled by loans to England, though it is clear that Dutch money would on several occasions have been exceedingly welcome. The other European loans quoted above prove that it was not lack of capital which accounts for this absence of lending. Nor are the continual naval scuffles or the English hatred of the Dutch enough to explain it. Indeed, in 1614, Dutch financiers had a stake in the English East India Company, and while the Dutch were massacring English traders at Amboyna, Dutch capitalists from Amsterdam and Dordrecht were financing the drainage of Hatfield Chase by Vermuyden and a band of Dutch engineers.² These were, however, purely commercial investments without any political or military significance. The few loans which might be considered as of political importance

¹ Baasch, *op. cit.* pp. 194-9.

² *Dict. Nat. Biog.* "Cornelius Vermuyden".

illustrate even better why such loans were not more general. In 1625, for example, after the failure of Buckingham's expedition to Spain, an alliance with Holland was concluded and Carleton, the British Ambassador at the Hague, was instructed to seek a loan from the States-General. As a result, advances totalling 650,000 guilders were made—largely for the payment of Mansfeld's troops. Most of this came from Louis de Geer, the Dutch capitalist who had already established a strong position in Sweden as banker and armament manufacturer to Gustavus Adolphus and mortgagee of the Swedish mines.¹ In 1629, practically the whole of this debt was still unpaid, and in 1631 only £10,000 had been repaid.² This is the only loan of its kind during the century, and it is significant that it came at the one time when tension in the constitutional struggle was momentarily relaxed. Charles could borrow in 1625 because the Dutch knew that King and Parliament were for once united in their anti-Spanish policy.

The other small loans to the Crown from Holland are worth noticing as indications of the utter poverty of the Crown. Unlike the other European monarchs to whom Dutch houses lent, the King had no sources of mineral wealth which could be mortgaged: similarly, he was prevented from borrowing on the Customs revenue. All he had was the crown jewels, and these were pawned at Amsterdam in 1625. Redemption was nevertheless postponed for eleven years owing to the financial plight of the Crown.³ In 1634, Sir William Boswell and Nathaniel Gerrard were authorised to sell more jewels and redeem others with the proceeds from Parret van Schoonhoven and Francis van Hoven of Amsterdam.⁴ In 1642, Strickland wrote to Pym advising him that the Queen was again attempting to pawn the crown jewels.⁵ The results of the pawn were considerable. From the Rotterdam Loan Bank, the Queen borrowed 400,000 guilders,

¹ van Veen, *op. cit.* pp. 30-1.

² Dietz, *English Government Finance*, pp. 222-58; van Veen, *op. cit.* p. 31.

³ van Dillen, *Bronnen*, p. 65; Macpherson, *op. cit.* II, 337.

⁴ Hist. MSS. Comm. App. 209 A to 8th Report.

Hist. MSS. Comm. App. 6 to 10th Report, pp. 89-90.

from the Stadtholder 300,000 guilders, and 50,000 guilders from the States-General. The jewels were to be redeemed in six years. In 1649 the period expired and no interest had been paid, so the Loan Bank sold the jewels, losing thereby 42,500 guilders.¹ Again in 1656, Charles in exile despatched General Middleton to Amsterdam to try and raise £50,000 on the security of the Scilly Islands, and Middleton tried hard to squeeze a loan out of the Dutch Jews. But the history of the English loans was not a happy one, and General Middleton passed on to Danzig with empty pockets.² It was not that the Dutch had no spare capital to lend, for they were already making business loans to England. In October 1669, a Lords' Committee appointed to enquire into the decay of trade became interested in the current superstition that England was being invaded by Dutch capital. A Mr Titus, who shared the superstition, believed that "a great part of the money used in trade and for the building of London" was Dutch money, but his fears were pooh-poohed by Mr Child, who assured the Committee that there was not more than £10,000 of foreign money here. Later, however, it was revealed that several London merchants were acting as recipients and agents for Dutch lenders. An Alderman Bucknell had more than £100,000, a Mr Meynell above £30,000, Mr van der Putt £60,000³ and Mr Dericost always nearly £200,000 of Dutch money, which they lent to merchants at 5, 6 and 7 %.⁴

The obstacle to extensive lending was clearly the inadequate security offered by the King, and, increasingly, the knowledge that the King's financial position was the real constitutional issue. It was not the democratic sympathies of the Dutch, but purely business considerations which prevented the Stuarts from getting further assistance.

In 1688 the political tension between England and Holland was replaced by a dynastic amalgamation, which quickly

¹ Baasch, *op. cit.* p. 195.

² Gardiner, *History of England*, I, 223, 226.

³ See *infra*, p. 93.

⁴ Hist. MSS. Comm. App. to 8th Report, p. 133.

became a military alliance. That alliance meant an increased demand for credit to sustain the Continental war, and it was only natural that William turned to the Dutch capitalists for help. "At his coming in this Kingdom" William arrived supported by Dutch troops and equipment provided out of a loan for £600,000 from the States-General "for its deliverance from Popery and arbitrary power".¹ £600,000 was voted to the Dutch for the armaments they had provided, and further advances were necessary to cover the expenses of reducing Ireland and Scotland to order and submission. While, therefore, William's needs gave rise to a situation where Dutch financial help would have been (and was, to some little extent) very valuable, any wider extension of financial obligations was temporarily restricted by the parlous condition of public credit. The circulating specie in the country was estimated at about ten millions² and the annual expenditure on William's wars was believed to be about five millions per annum. Credit had sunk low: banknotes were at 20 % and tallies at 40, 50 and 60 % discount.³ Most important from the point of view of the cautious Dutch investors, the legal position of the King *quâ* borrower was obscure, and it was still doubtful whether his creditors had any remedy against him in case of default. The Stop of the Exchequer had not improved the already besmirched record of the English Kings in Amsterdam. Meanwhile, English troops fought their battles half-clothed and barefoot.⁴ Sir James Steuart sums up the situation in the remark that attempting, in such circumstances, to levy a great revenue in England was like putting a dumb man to the torture in order to extort a confession.⁵

In 1692 one obstacle to credit was removed by the flotation of a million pound loan secured upon an annuity fund. The fund was guaranteed by Act of Parliament and consisted of

¹ Cal. Treasury Books, ix, 273.

² Sinclair, *History of the Public Revenue*, I, 412.

³ *Ibid.*

⁴ J. Francis, *History of Bank of England*, p. 59.

⁵ Steuart, *Political Oeconomy*, II, 365.

duties upon beer and other liquors, collected into a separate account for payment of annuities.¹ The issue only produced £881,493. 12s. 2d., but the change of method was of fundamental importance in raising English credit abroad: at one stroke it cleansed the copybook so often blotted by the Stuarts, and gave Parliamentary backing to the national loans. It is clear from de Pinto's remarks that this backing was regarded by foreign investors in the eighteenth century as giving British loans that security which French loans lacked.² More than that, these annuities were transferable, and potentially objects of speculation. Investment could now be mobile as well as safe. Though evidence is scanty, the presence of a number of annuity certificates for 1692, 1694, 1696 and increasingly for later years in Holland in 1719 and 1720 indicate a swift though limited response to William's requests for capital.³ In spite of Parliament's assumption of responsibility, the political and financial situation in England was probably still too troubled and uncertain for Dutch capitalists to lend very freely. At all events, annuities were not yet current on the Amsterdam Bourse.

A war which made necessary the maintenance of troops in the Netherlands and on the Rhine threw William into the hands of the foreign victualling contractors. No English firm was yet capable of handling such contracts, and those who benefited were mainly Dutch firms, chiefly of Portuguese Jewish origin. It is difficult not to think that William has been ill-used in the accusations of favouritism levelled against him. His acceptance of the Crown was only possible with the backing of Dutch capitalists, and the wars which he undertook for his new kingdom (which paradoxically increased his unpopularity there) made it necessary to draw on the credit resources of firms with Continental connections. In the absence of English firms capable of undertaking such tasks, it was only natural that he should go to the Netherlands,

¹ Maitland, *Constitutional History of England*, pp. 438-40.

² See *supra*, pp. 76-77.

³ Not. Arch. 7985, 7986, 7987 (P. de Marolles). See Appendix B.

which had already shown itself to be a useful source for emergency loans. The Suassos and de Pintos had already made themselves indispensable to him:¹ other Dutch Sephardic Jews practically monopolised the army victualling, transport and clothing business. Solomon de Medina and Alvarez da Costa (who were also amongst the first Commissioners for the Million Adventure Lottery) contracted to supply bread and bread wagons for the army in Flanders.² Payment for these contracts was made through the financial facilities offered by the contractors themselves; in 1696, for example, Medina was given tallies for £12,000 as surety for a loan of £8500 (an indication of the state of William's credit) which he was to remit in bills to Amsterdam.³ In January of the same year, one of the few non-Jewish financiers of Dutch stock, Sir Theodore Janssen, was also active in remitting bills: Janssen, with Vanderputt, was among the earliest emigrants to see the possibilities of profit offered in England, and he was naturalised in 1685. In January 1696, he remitted £20,000 "for the subsistence of the troops in Flanders", and three weeks later furnished bills for £40,000 for the same purpose.⁴ Contracts for victualling in 1697 included one for 410,967 guilders with the firm Pereira and Machado signed by Mr Paymaster Hill, together with a bread contract for £3000, both approved by the Treasury. This particular firm had already secured control of the Commissariat of the army in Ireland, through its connections with the Duke of Schomberg.⁵ In 1698-9 it was reported that "great sums" were due in Flanders for the Holland troops which were in the King's pay, for bread, forage and clothes, particularly to Machado and Pereira, and another Jewish firm, Heycoop, Faniseau and Mendez di Crasto (da Costa).⁶ A number of Dutch (Por-

¹ H. Bloom, *The Economic Activities of the Jews of Amsterdam in the Seventeenth and Eighteenth Centuries*, p. 193.

² Treasury Books (1693-96), 10: 1, 553, 583, 603, 620, 642, 681, 744, 755.

³ Cal. Treasury Books, ix, 62.

⁴ *Ibid.* xi, 344.

⁵ Not. Arch. 8847 (Notary Jan Barel), 20 Jan. 1739.

⁶ Cal. Treasury Books, xiv, 209.

tuguese) Jews had already assisted in private loans, and loans on the two shilling, the twelpenny, and additional twelpenny Aids for sums varying from £200 to £1000. They included several da Costas, Antony Sera, Philip Martens, Antony Lonzardo, Moses Curiell, Henriques, Negeira, Salvador, Nunes, Pereira, Lopez, de Paiva, de Faro, Pensoa, Correa, Rodriguez, Macabo, Mendes, Fransia, Bernall, Medina, Fernandez, Mellado, and Benzelin;¹ and in 1698 and 1699, the following Dutch Jews participated in a loan bearing 6 % with a 2 % allowance:²

John da Costa	for £2500
Peter Henriquez	„ £1000
Antony Gomez Serra	„ £500
Solomon de Medina	„ £1000
Moses de Medina	„ £1000

The failure of the Land Bank scheme in 1696 had indicated how unsatisfactory financial affairs still were: confidence was further undermined, and in 1695 more foreign borrowing occurred, this time by the Bank of England.³ A loan of £300,000 was authorised by the Treasury and secured on tallies and impositions. £100,000 was to be repaid in twelve months, and £200,000 in six years or less. Equivalent amounts in tallies were deposited with the Dutch Ambassador. In October another deposit of £80,000 in tallies was made as security for a further Dutch loan of 800,000 guilders. The disposition was:

£60,000.	Secured on Malt Ticquets.
£14,079. 1s. 11d.	Secured on Tallies on Continued Impositions.
£6000.	Secured on Salt Tallies.

On 9 November of the following year, the Lords of the Treasury instructed Lord Ranelagh, the Paymaster of the Forces, to inform them “what tallies and to what value are deposited in the Dutch Ambassador’s hands and how much was borrowed in Holland thereon”.⁴ The accounts were

¹ Treasury Books (1689–92), 9: v, 1993, 2003.

² Cal. Treasury Books, xiv, 133.

³ R. D. Richards, *Early History of Banking*, p. 280.

⁴ Cal. Treasury Books, xiv, 30.

completed in 1700 and showed that since August 1697, tallies and orders on Salt Duties, on the three shilling Aid, on the Continued Impositions, and on the Malt (Lottery) tickets, had been deposited with the Dutch Ambassador to the extent of £215,097. 1s. 11d.¹ The total of credits to England before 1700, therefore, which had the backing of the States-General, was about one million pounds, and besides this there were the various private credits and contracts with Dutch financial houses and victualling firms. This financial hold was (and remained during the eighteenth century) violently unpopular: all the Government's misfortunes were attributed to Dutch counsels, which with their secondary result, the Lotteries ("those banes of industry, frugality and virtue"²), were credited with the purpose and effect of undermining English morals and English trade.

(ii) *The Development of the Attorney System*

The first decade of the eighteenth century saw a further expansion of marketable, transferable securities, although the credit of the Government was still poor, and the security granted to creditors was usually continuing taxes imposed under William: borrowing was done on previously established funds which would otherwise have expired. A mass of uncovered debts and tallies came into the market at a 40 % discount. Eventually they were accumulated into one fund of about £9½ millions at 6 %, and the proprietors of the stock were in addition granted a monopoly of the proposed trade to the South Seas, and became the South Sea Company. Dutch capitalists were considerably involved in this expansion of debt, and in investment in East India and Bank Stock, to the extent that *Plakkaten* were issued by the States-General in 1700 and 1713 forbidding Dutch subjects to participate in loans to foreign "Kings, Potentates or Princes" or in foreign associations trading to the East or West Indies.³ But official prohibition was as powerless to stop the outflow of Dutch

¹ Cal. Treasury Books, xv, 421.

² Sinclair, *op. cit.* 1, 419.

³ Smith, *op. cit.* p. 107.*

capital as Spanish bullion laws were to prevent the outflow of bullion from Spain to Holland. The interest offered in England compared too favourably with the declining rate in Holland to encourage home investment, and the previous caution of the Dutch was gradually being overcome, while for speculators the British Annuities and Shares were an ideal medium. It is, in fact, in the thirteen years between the two Placards that we can see most clearly the development out of the existing channels of trade of the attorney system, which was to link up the highly speculative market at Amsterdam with London, and to stamp British securities as the first object of speculation on the Amsterdam Bourse—a position hitherto occupied by Dutch India securities.

The system in force in the period of fully developed speculation was that the operations of capitalists on the Amsterdam Bourse were negotiated through permanent corresponding attorneys, many of them Dutch immigrants, in London. There is already a hint at some kind of agency system in the report of the Lords' Committee of 1669.¹ Here English merchants and Dutch immigrants were acting as financial agents for Holland. Again in 1700, there is a further hint from the Treasury Books, in a petition from a Dutch annuitant, Jacob van Reissen, to the Lords of the Treasury, for redress against his London agent. Van Reissen pleaded that "he purchased an Annuity of 14 % for his life, which he authorised one Cephas Tutet to receive for him from time to time, and the said Tutet being absconded, the Petitioner cannot receive the said Annuity, the order and tally being in Tutet's hands, who refuses to deliver up the same".² (Tutet was an attorney dealing in security business, and in spite of this rather dubious occurrence, the family business continued. Marc Cephas Tutet was a friend of Gerard van Neck's and a well-known figure in financial circles in 1750,³ and in 1772 "Marc Chepas Tutet of London, merchant" was appointed to buy and receive interest on the South Sea Shares of Maria

¹ See *supra*, p. 90.

² Cal. Treasury Books, xiv, 307.

³ See *infra*, p. 112.

Ryswick and the widow of Jacques de Tassz of Amsterdam.¹) The incident of 1700, however, is significant, for it indicates two things: first, that annuities were still not inscribed, being more of the nature of bearer bonds, and, for that reason, still a rather risky investment for a foreigner; secondly, that there was as yet no fixed legal routine by which a foreign investor could safely control his British investments. London agents existed, but the foreigner had precious little hold on them in case of fraud or default.

Somewhere between 1700 and 1710, a definite system was evolved, for the conditions under which a subscriber assumed ownership of Bank, East India or South Sea Stock made a routine necessary: inscribed stock was the rule here, and the possession of a certificate, order, or tally was not enough: the name of the subscriber had to be inscribed in the Book of the Companies at the Bank, India House, or South Sea House. The Amsterdam merchant who wished to invest or speculate found it necessary, therefore, to have a permanent agent in London who was legally accredited to negotiate his transfers and investments and who kept him informed on points of economic or political importance. Often this agent was a member of the family who went to live in London and act as attorney for his relatives and friends back in Holland. Annuities came increasingly into the category of inscribed stock, and attorneys were appointed to deal with these as with the Company securities. A certificate² signed by Willem de Gols (London attorney for David Leeuw of Amsterdam) is a comment on this development: de Gols wrote:

I, the undersigned, Willem de Gols, Notary Public, admitted and sworn by lawful authority of this Kingdom of Great Britain, living in London, hereby declare and certify as the truth that I, at the request of Heer Gilbert de Flines,³ Merchant in London, applied at the Chamber of the Bank of England, at the Department of the Cevill List Annuities, where to me, Notary, it was by the Book-Keeper shown, and appeared in Great Book of the Cevill

¹ Not. Arch. 10602 (van der Brink), 22 Dec. 1772.

² Fig. 3, p. 131.

³ See *infra*, pp. 129 *et seq.*

List Annuities on Folio 289 that Heer David Leeuw, at present in Amsterdam, in his own name and account, has in all a capital of Eight Hundred Pounds Cevill List Annuities.¹

The appointments of attorneys are, therefore, a useful indication of the volume of *real* buying and selling of English securities by Dutch capitalists; they do not, of course, tell us anything about the intermediate speculative bargains which were interposed between first seller and final purchaser. The procurations are, moreover, the only evidence of the existence of foreign fundholders apart from the Stock Books of the Companies and the Annuities. The London attorney was appointed by a procuration (or letter of attorney) signed by the fundholder and witnessed by a notary public in Amsterdam, a copy of which was sent to London for presentation (together with the transfer deed²) by the attorney in any transactions of inscribed stock. Apart from the transfers of stock, these agents also undertook sales and purchases, *contango* business and options for their Dutch clients, though actually most of this business was done in Amsterdam by the speculator himself or his broker. It is uncertain when the system began; but a procuration of 1710 is rather vague in its terms. André de Normandie of Amsterdam appointed Claude Hays of London "to receive £2500 Bank and £2500 East India shares" and authorised him "to pay any consideration or considerations for the same, and to appear (if need be) before all Governors Deputies and Assistants for the time being or whom else it may concern, and to accept and receive such stocks".³

A similar procuration for 11 April 1710, records that Jacobus de Witt of Flushing appointed James Milner of London to receive £1000 in Bank of England shares.⁴ During the next few years, as the volume of foreign and local investment increased and practice grew more uniform, the terms

¹ Arch. Brants 401: David Leeuw, 7 May 1724 (British Style).*

² See *infra*, p. 100.

³ The surviving volumes of Notary Records for this period have been so badly damaged by fire as to be almost unreadable.

⁴ Not. Arch. 7953 (P. de Marolles), No. 172.

of the procurations become more precise, and by 1717 the formula was substantially settled in its terms. A procuration of Gerrit Corver of Amsterdam appointing Latamer de Putter of London attorney may be taken as typical.¹

Be it known unto all men by these presents that I, Gerrit Corver of Amsterdam, Gentleman, doe constitute and appoint Messrs. Latamer de Putter of London, merchants, and doe hereby authorize them for me and in my name and behalf to accept and receive in my said name such stoks or funds in the Capital or Principal stok of the Governer and Company of the Merchants of Great Britain trading to the South Seas and other parts of America and for encouraging of ye Fishery. Which shall or may be hereafter transferred to me and allso to receive all dividents from time to time as they shall become due upon the said stoks: witness my hand and seal in Amsterdam this twenty sixth day of February Anno Domini One Thousand Seaven Hundred and Seaventeen. Stylo Novo. G. Corver.

Transactions in shares could then take place either in London or Amsterdam. If the purchase or sale were done on the Amsterdam Bourse, the principal sent his London attorney the deed of transfer. On 1 June 1720, for example, David Leeuw sold £500 Bank Shares for the rescontre (or contango day) of 1 August. He sent the transfer deed for this to his London attorney, Peter Crellius, who would ultimately present it (with his procuration) at the Bank for transfer (Fig. 2, p. 100). The deed runs:

I, the undersigned, acknowledge to have sold to Heer Jan Agges Scholten, for David van Heijst, £500 Pound Sterling Capital Shares of the Royal Bancq of England, at London, at the price of a hundred and ninety six and a half per cent, remaining from the dividend declared in April last, for the Account on August 1st next (according to the Custom of the Bourse) which £500 I bind myself to deliver in London at the stated price: and in case any Dividend should be declared during this period, it shall be to the advantage of the Buyer, to be deducted from the above-mentioned price: contrariwise, all extra Charges and Calls are charged to his Account, in the usual manner. All done in good faith in Amsterdam June 1st, Seventeen Hundred and Twenty.²

¹ Not. Arch. 7974 (P. de Marolles).

² Arch. Brants 401: David Leeuw.*

Not all transactions were negotiated in Amsterdam: perhaps the biggest part of the London agent's work was buying and selling on 'Change for his client. Two letters dated 1719 from Peter Crellius, the London agent and attorney for David Leeuw of Amsterdam, to his client, show the process particularly clearly. Crellius had to explain the system to Leeuw,

IK ondergeschreven bekenne Verkogt te hebben aan de Heer Jan Agges Scholten Voord H^r David van heijst Vijfhonderd Ponden sterlings Capitaal Actie van de Koninklijke Bank van Engeland tot Londen, ten prijse van hondert fesen negentig en een half fl^o Restante van de Uytdeeling uytgegeeven in April — — — laatsteleede, mits de Rekening te geeven (volgens Costuym ter Beurse) op primo August = aankomende; dewelke £ 500: — — — obligeere ik my deselve te laten leveren binnen Londen tot de gemelde Prys: En by geval dat in 't midden desen tijd eenige Uytdeeling gegeeven word, zo zal 't zelve tot profijt van de Kooper zijn, en tot afkorting van de bovengemelde Prijs; En in tegendeel alle Bijlage en Inroeping tot zijne laste, na de gemeene styl. Alles ter goeder trouwe gedaan in Amsterdam den 17^{en} Junij = Seventien honderd twintig —

NB. Dit Contract zo 't niet herwiffelt word, en twee Maanden na den Vervaldag oud zynde, sonder dat by d'een of d'ander eenige pretentie wettelyk daar wyt werd gemaakt, zal gehouden werden voor Nul en van geender Waarde.

David Leeuw

Figure 2. Transfer slip from the Amsterdam Bourse

who was beginning to speculate in British securities for the first time. First, Leeuw must send him a procuration to make it possible for him (Crellius) to have Leeuw's name put on the list of inscribed stock: secondly, it was not possible to purchase less than £500 in capital shares of the South Sea Company (nor, for that matter, in Bank or East India either). Crellius wrote on 24 March 1719:¹

¹ Arch. Brants 401: Crellius—Leeuw, 24 March—4 April.*

I have this afternoon received your 2 letters of the 31st of this month ordering me to buy for you 2 parcels of shares of the South Sea Company and the Bank up to 146 % and the South Sea shares up to 108, 1 parcel at 100 % and another at $\frac{1}{2}$ to 1 % less, at my discretion, and to put these to your name: but in this buying business, they must first stand in my name, because no shares can be put in anyone's name, without your procuration, which I am awaiting. Your order for the South Sea shares could be executed at 100 but wait till tonight because shares will fall if the Bank should call in 20 % or more on the subscription of circulation on Exchequer letters anno 1717-1718, to-day or to-morrow being the last day. If this happens, shares will fall and my advice is to wait and see what happens. Your order of Bank shares I can also carry out at $142\frac{1}{2}$ to 143. Your order is at 146, so please tell me whether you intend that to include the half year's dividend at 4 %, the books for which are closed and won't be open before April 21st to May 1st next: now taking off the dividend at 4 % makes it 142, and with your libertat of $\frac{1}{2}$ -1 % added, comes to 143 and you are on the same footing: but I would prefer to have a clearer statement concerning the above as well as how much capital you wish to have in South Sea stock; as I told you one never buys less than £500 capital shares. I think I understand the nature of this purchase and shall judge as well as possible, and shall not be too hasty; this is advisable, because now everything is so uncertain that one cannot do anything definite, and I will from time to time, keep you informed of progress.

P.S. The Bank has not called for any more of the 20 %, and on the circulation of Exchequer Bills, shares are now rising. South Sea are $109\frac{1}{2}$ - $\frac{3}{4}$, Bank 144, so that till tonight, purchase can be made of your £500 Bank shares at 144.

Five days later, Peter Crellius wrote from London:¹

My last letter to you went off by the last carrier and concerned principally the purchase of South Sea and Bank shares, with further details necessary for my reference. Since then I have heard nothing from you and this serves principally to advise you that South Sea shares yesterday were round 108 and Bank 142: there were various rumours which prevented me from buying for you as well as for other people. Today they run about 109, but none have been delivered at that price. Now the day after to-morrow our Easter day comes round, and no books will be open

¹ Arch. Brants 401: Crellius—Leeuw, 29 March 1719.*

till next Thursday. I shall not wait longer than one or two more post days. Bank has now risen to 144: only the uncertainty as to whether you want them with or without dividends prevents me from purchasing the shares, as it makes a difference of 4 %: your order being at 146, it is still 2 % under. News should come in between now and two post days hence with a little more certainty. If I can still today buy £1000 South Sea Shares at 109 I shall state at the foot of this letter.

Thus, although the functions of the London agent were in the first place authorised by the procuration conferring powers of attorney, which were indispensable, the actual work of the agent went far beyond mere attorney work. Besides supervising the necessary transfers of stock, he also often performed the functions of broker and jobber. Again, it was his job to receive and forward dividends on the stocks or annuities held by his Dutch client. Since there were usually commercial as well as financial relationships between the Dutch and English firms, such dividends often went down on the half-yearly account as a credit item for Amsterdam, and so ultimately went back into more funds, or back into Holland in the form of goods or services. In any case, it was easy enough to transfer them by bill of exchange.¹ In times of crisis, when bankruptcy stalked abroad, there was the additional work of putting in claims for debts and the legal business connected with recovering them. Wills had to be registered at the Prerogative Court of the Archbishop of Canterbury,² and when a Dutch rentier died, the will was proved, the attorney obtained letters of administration and supervised the disposal of the estate. The registers show that while little property passed through probate before 1700, there was a perceptible increase between 1700 and 1709, and by 1730 a considerable number of cases were dealt with annually.³

¹ See *infra*, pp. 142–143.

² Probate was, until 1857, coupled with Divorce in its ancient dependence on ecclesiastical jurisdiction.

³ Register Noel (Prerogative Court of Archbishop of Canterbury), 1700–30: Probate Division, Somerset House.

(iii) *Amsterdam and the Bubble 1720-1723*

In 1720 that part of the Government debt owned by the South Sea Company gave rise to wild speculations, familiarly known as the South Sea Bubble: Dutch capitalists had already a substantial interest in the Company,¹ and under the stimulus of speculative profits the circle of participants was enormously widened, for in spite of the Placards of 1700 and 1713, the Amsterdam Bourse continued to extend its list of foreign securities. Dutch speculators had been involved in Law's Mississippi Company, but they had sold out at the psychological moment and lost very little in the crash.² Their interest in the English Bubble proceeded naturally from their previous holdings of Bank and South Sea Stocks, and when the fever descended on London in 1720, Amsterdam and the whole of Holland became infected. Dozens of insurance and transport projects were put forward all over Holland, but the English Funds—Bank of England, and more particularly South Sea—were the real centre of attraction. A regular service of fishing smacks (*pinkjes*) brought the news from London for the Bourse, which became too small for the amount of business to be carried on. Feverish buying and selling and gambling were continued until four o'clock in the morning in the French Coffee House (Quincampoix) in the adjacent Kalverstraat.³ Eventually the whole Kalverstraat was filled with excited speculators. Langendijk, in his satire on the Bubble "Quincampoix" describes the scene in the French Coffee House:

It was so full that there was no room to stand—
What with shrieking of English and all kinds of croakers
I was deafened by the lies of the Jews and the Brokers.⁴

¹ Not. Arch. 7977-88 (P. de Marolles).

² Smith, *op. cit.* pp. 107-18.

³ *Ibid.* pp. 120-1.

⁴ *Quincampoix* or *De Windhandelaars*, by P. Langendijk (ed. C. H. P. Meijer, Zutphen, 1892), p. 29:*

"t was zo vol dat 'k niet kon staan
Wat was 'er een geschreeuw van Engelschen en Kakelaars
'k wierd doof door 't leugen van de Jeuden en de Makelaars."

The crop of fantastic projects and inventions was transferred to Amsterdam, where further original rumours and fantasies were invented on the spot. The small boats which were supposed to meet the English ships and speed back to harbour with the news, in reality merely took a turn round outside the harbour, and, having invented their own plausible gossip, came back and sold it to the feverish crowds of speculators.¹

One man has news from London that South Seas are rising fast.
Another's been to sea, five or six miles in a smack
And carries express letters and concocted tidings back.²

A study of the procurations for English securities signed at the office of the notary Marolles for the period 9 January 1720 to 29 October 1723, discloses several important facts. First, the circle of capitalists interested in Anglo-Dutch finance had now gone beyond the comparatively small clique of (mainly) Jewish capitalists who had financed William III. Investors and speculators can, at this period, be classed into the three divisions applied by de la Vega to the seventeenth-century operators in Dutch colonial shares: once again, there are the great capitalists seeking permanent investment for their surplus capital, the middling men doing the same and in addition having an occasional speculative flutter, and lastly the out and out gamblers. Of the "great capitalist" class, we may select Isaac Balde,³ a member of the Amsterdam banking house which in 1735 floated a loan of 375,000 guilders for Frederick V of Denmark.⁴ Dirk Trip, of the firm connected with the Swedish loans, bought £1000 South Sea shares on 19 March 1720,⁵ while his sister Sara had bought £2500 Bank of England shares on 7 March. Andrew Pels, the head of

¹ Langendijk, *op. cit.* p. 30 (note).

² *Quincampoix, Barbario or Roskam voor de Dolle Actionisten*, by Philadelphus (1720: published by Jacobus Verheyden, p. 9):*

"Deez heeft uit Londen hoe de Zuid vast rijst: eenander
is met een Pinkje vijf zes mijl geweest in zee
brengt als expresse brief en quasi tijding mee."

³ Not. Arch. 7985: 10 Jan. 1720. Appendix B, p. 206 *et seq.*

⁴ Baasch, *op. cit.* p. 197.

⁵ Not. Arch. 7985. Appendix B, p. 207 *et seq.*

6100^e
 Know all men by these Presents
 That *J. Peter Calkoen of Amsterdam Gentl.*

De 25

do hereby make nominate constitute and appoint

John Leonard D'Orville of London Merchant

my true and Lawfull attorney, for me and in my name to

sell assigne and transferr all or any part or parts of *five*

Hundred & fifty Pounds of my Intrest in the Capital or

principal Stok of the Governour and company of merchants

of Great Brittain trading to the Southseas and Other parts

of America and for Encouraging the Fishery unto any person

or persons what soever, and for such price or prices confi-

deration sum or sums of monney as my said attorney shall

think fitt. And to Receive the monneyes for thesame, and

do every Lawfull act and acts, thing and things what soever

in and About the premisses, as I my self might or could do

where I personnally present, hereby Ratifying confirming

and holding good & vallid what soever my said attorney shall

Lawfull do or cause to be done in and about the same. In

Wittness Whereof I have hereunto sett my hand and seal in

Amsterdam aforesaid this *Nineth* day of August

A^c. *Two* one thousand sevenhundred & *Twenty* Anno Novo.

Signed Sealed and delivered
 in the presence of us.

Philip de Marolles

J. G. Allart

De Marolles

P. Calkoen

what was at the time perhaps the largest of all the international banking houses of Amsterdam, bought £1000 South Sea shares through Sir John Lambert on 5 April 1720.¹ Antony Deutz, of the firm which was famous for its connections with quicksilver loans to the Emperor, bought £1000 South Sea shares on 12 April.² Jan Balde, the head of the firm previously mentioned, bought £1000 South Sea shares on 16 April.³ Jan Trip bought £1000 Bank shares on 7 May.⁴ By May these wealthy investors were beginning to sell. Willem Boreel sold £1000 South Sea shares on 7 June.⁵ Andrew Pels sold his holding of £10,000 South Sea shares.⁶ Jan Balde sold his £7000 East India shares on 6 August.

The majority of the speculators, however, were of the second and third types—men of moderate wealth indulging in a little speculation, or pure gamblers. The only guide in distinguishing the two classes is the frequency of the transferences in their names—though, by general consent, the Portuguese Jews were notorious gamblers. Two important elements may be discerned at once amongst the Amsterdam speculators. First, there is a large—almost predominating—group of Huguenot immigrants. In Amsterdam there were Gratian de Trepsac, Gillette Aubert, Ésaye Gillot, Henry Brequet, Jacques du Peyron, Élizabeth de Dieu, André des Obry, Jean Franchard, René de Vicq, Jean Delbecq, Robert Malbrancq, Marianne de Gastine, Anne Renouart, H. Desbordes, Élie Augier, Henri Cliquet, Jeanne du Carel, Pierre de l'Espaul, Peter Huguet, Andrew Roy, Allard de la Court, Daniel Balcquerie, Marie Martinière, Isaac Conderé and Elizabeth Cardel. These investors corresponded with another group of Huguenots in London, who acted as attorneys and buyers for them. The London correspondents included Henri de Putter, Claude Desmartz, Jacob Rodet, Leonard d'Orville, Jean du Pré, T. Renouard, Jacob and Paul Jordis, Charles Boulengier, Lewis la Conde, John de

¹ Not. Arch. 7986. Appendix B, p. 207 *et seq.*

² *Ibid.*

³ *Ibid.*

⁴ *Ibid.*

⁵ Not. Arch. 7987. Appendix B, p. 210.

⁶ *Ibid.*

Virly, Isaac Aufrère,¹ John de Zillieux, Isaac Desbordes, Duprat du Chameau, A. F. Pigou, Sir Denis Dutry,² Jacques Roberthon, du Fresnay and Gaussens, and Isaac Berthon. Many of these were closely connected with the Dutch correspondents in London.³ On the other hand, the number of Portuguese Jewish speculators working through this office is surprisingly small in view of the fact that, even in the seventeenth century, writers had complained of their monopoly of stock-jobbing, and that the collapse of the Bubble itself produced an anti-Semitic riot in Amsterdam itself.⁴ Abrabanel, Nunes, Rocomora, Pereira, Belmonte, Pinto, Teixeira de Mattos, da Costa, Henriques, and Daveiga of Amsterdam corresponded in the Funds with their London attorneys F. Pereira, E. Mendes da Costa, Ximenes, J. Henriques, Solomon da Costa, S. de Mendes Pereira, Jacob Pimantel, Isaac Peixotta, Isaac Martins and Joseph Sequeira.

A small group of Dutch immigrants was already settled in London and engaged in dealing in the Funds before the Bubble period. The group included Sir Theodore Janssen, one of the most notorious figures of the Bubble, who had settled in England in 1685, was knighted for his services to William in 1688, and made a baronet for further services in 1714. A director of the South Sea Company, he was made a scapegoat by Walpole, fined a quarter of a million, and expelled from the House of Commons.⁵ In these procurations he figures as London attorney for Henry Termettsen of Amsterdam.⁶ The Secretary of the South Sea Company was

¹ Came from France to England, 1700 (via Holland). In France they had been Marquises de Colville. His son was M.P. for Stamford, 1765-74.

² His widow later married Gerard van Neck. See *infra*, p. 111.

³ Probably many, like Aufrère, came to England via Holland. Allard de la Court, for example, was in Amsterdam in 1720 (Not. Arch. 7987). In 1740, he was amongst de Neufville's London customers (Arch. Brants 401-2).

⁴ Smith, *op. cit.* pp. 120-1.

⁵ *Dict. Nat. Biog.*

⁶ Not. Arch. 7986. Appendix B, p. 209. It is only fair to add that the family reputation was redeemed by his son, Sir Stephen Theodore Janssen, Bt, a distinguished merchant who became Lord Mayor of London. Postlethwayt dedicated the second volume of his Dictionary (1766) to him.

a Dutch immigrant, Conrad de Gols, cousin of Willem de Gols, notary for David Leeuw.¹ Cornelis Backer, who was one of the most prominent attorneys in the Bubble, came to London from Amsterdam in 1713.² Hendrik de Putter, a Huguenot immigrant to Holland, settled in London in 1716, and henceforth figured as Henry de Putter.³ In 1717 there came Isak Kuijck van Mierop and his wife.⁴ Van Mierop, in addition to carrying on business in the Funds, became a member of the Russia Company and ultimately was first Chairman of Lloyds.⁵ Sir Matthew Decker, who figures as an attorney for Coenrad Christoffers of Amsterdam,⁶ and others, had settled in 1702; he became an M.P., and in 1729 was Sheriff of Surrey, though he is perhaps best known as a tax reformer and an early advocate of free trade.⁷ (His claim to have grown the first pineapple raised on English soil is less widely known.) In 1720, François and Jan van Hemert were registered under the description "young men".⁸ Other attorneys in the Funds already in London included Peter Crellius, Gilbert de Flines and Willem Kops, who all at various times acted as correspondents for David Leeuw.⁹ Gerard Bolwerk was entering on a business which flourished until 1773. Gerard van Neck was already a correspondent, and was joined by his brother Joshua, from Rotterdam, in 1722,⁸ and Henry Muilman was already acting as correspondent for relatives in Holland and other Dutch speculators. Abraham and Francis Crayesteyn were also already established as dealers in the Funds.

The speculative mania was at its height between January and August 1720, and transactions were drawn up for upwards of two hundred Dutch speculators at the office of Marolles alone. After the first week in August, speculation practically

¹ See *infra*, p. 130.

² *Register of Attestations* (Archives of London Dutch Church 1568-1872, ed. J. H. Hessels).

³ *Ibid.*

⁴ *Ibid.*

⁵ Wright and Foyle, *History of Lloyds*, p. 112; Macpherson, *op. cit.* III, 376.

⁶ Not. Arch. 7985: 20 Jan. 1720. Appendix B.

⁷ *Dict. Nat. Biog.*

⁸ *Register of Attestations.*

⁹ See chap. IV (v).

ceased:¹ the Bubble had burst. A lull followed, and from August 1720 to the summer of 1723, very little business was transacted. By October 1723, however, a brisk business was again going on in the South Sea Annuities which finally emerged from the crash.² The bursting of the Bubble did not permanently frighten Dutch money away from England: a few gamblers had disappeared from the lists, but on the whole the Dutch speculators were cautious and shrewd. Many, like David Leeuw,³ had fought shy of the extravagant profits promised by the South Sea Company, preferring the lesser, but not inconsiderable, gains to be had out of Bank of England shares. Many had sold out before the final crash, and such losses as had been sustained were easily borne by those capitalists whose main investments were still elsewhere. So far from acting as a deterrent to further investments and speculations, the Bubble had publicised English securities in Holland and permanently widened the circle of those interested in them.

(iv) *After the Bubble*

The peace policy of Walpole and his shrewd direction of government finance excluded the possibility of spectacular increases in the amount of capital required by the British Government for twenty years after the Bubble. A comparison of two estimates of the Dutch holding in the National Debt for 1728 and 1737 shows that the increase was not large, though it must be admitted that the margin of error is wide. In 1728 the French Ambassador in Holland estimated the total amount of private Dutch capital in English Funds at rather more than a hundred million guilders.⁴ In 1737, in the debate on Sir John Barnard's motion to reduce the interest on the National Debt, it was again stated that the Dutch were computed to have above ten million pounds in the Funds.⁵ Speculations continued and individual merchants built up their resources of solid investments in the Funds. The nucleus of Dutch dealers in London developed into a

¹ Not. Arch. 7987.

² Not. Arch. 8008.

³ See chap. iv (v).

⁴ *Recueil des Instructions données aux Ambassadeurs et Ministres de France*, vols. XXI-XXII: *La Hollande*, 1648-1730, II, 493.

⁵ Hansard, *Parl. Hist.* x, 111-39.

small community of its own: ties with old Holland were not easily broken, and the most prominent names on the procurations also appear on the records of London's Dutch Church in Austin Friars. Here they maintained a kind of corporate existence only a stone's throw from the scenes of their financial activities. The Church Registers afford a few scanty details of the activities of the more influential ones.¹ The following were Elders of the Dutch Church:

Gerard van Neck	elected 1727
Joshua van Neck	„ 1739
Charles van Notten ²	„ 1742
Charles van Notten Jnr.	„ 1774
Adolph Boon	„ 1785
Gerard Backus	„ 1787

Among the Deacons of the Church were:

John Hemert	elected 1715
James Muilman	„ 1726
Joshua van Hemert	„ 1726
Frederick van Harthals	„ 1739
Adolph Nucella	„ 1761
Christian Woesthoven	„ 1771
Daniel Meilan	„ 1772

Other dealers in the Funds who were members of the Church were:

Henry Muilman	died 1772
John de Neufville	„ 1774
Pieter van Notten	„ 1783
Timothy Nucella	„ 1801
Herman Isaac de Smeth	„ 1729
Pieter Stapel	„ 1801
Francis Crayesteyn	„ 1758
Andreas Grote	„ 1788
Gerard Backus	„ 1810
Diederick Willink	„ 1832
Cornelius Backer	„ 1740
John Backer	„ 1745
Eduard van Harthals	„ 1753

¹ *The Registers of the Dutch Church, Austin Friars* (ed. Moens), London, 1571-1874 *passim*.

² Appeared as attorney in charge of the East Indian Stocks of the Deacons of the Dutch Reformed Church, Amsterdam, on 14 Nov. 1766 (Appendix C, p. 214).

The gossip of van Hemert shows that these London-Dutch families were intimately connected by marriage and business ties. Gerard Backus, for example, went into partnership with van Hemert about 1760. Pieter Stapel was in partnership with Daniel Meilan. Francis Crayesteyn shared a business with his brother Abraham, as did Cornelius Backer and his brother John; John van Hemert was joined by his brother Wolfert, who came to England in 1736.¹ Nucellas were in business with Gerard Bolwerk, one of the leading dealers of the Bubble period. The van Notten business went from father to son when Charles van Notten, the firm friend of Gerard van Neck, died. On 8 March 1751, the van Hemerts wrote to Amsterdam:

Since our last letter Charles van Notten has died, leaving a wife and two children—the son was taken from school only last year and put into the office, which leads us to think that the Business cannot very well be carried on unless Pieter van Notten (who, along with Heer van Neck, is executor of the Will) comes and settles here.²

So Pieter van Notten came over from Amsterdam and took charge of the London business until the younger Charles van Notten was old enough to take over. In the seventies, van Nottens took Christian Woesthoven into partnership.³

Eduard van Harthal's business was taken over after his death in 1753 by his son, Eduard. The general level of wealth amongst the members of the church was extremely high. Herman de Smeth, for example, was the London representative of the famous banking house which dealt with the Russian loans. Abraham Crayesteyn, who died in 1754 after an injury to his face which left him blind, left £250,000, while his brother Francis, who had the reputation of being something of a miser, was believed to be worth about £450,000.⁴ Sir Matthew Decker (M.P. for Bishop's Castle) had acquired wealth and importance by his connections with the East India

¹ *Register of Attestations*.

² Arch. Brants 374: van Hemert—de Neufville.*

³ Not. Arch. 10,603, etc.*

⁴ Arch. Brants 374: van Hemert—de Neufville, 27 Sept.—17 Dec. 1754.*

Company, of which he had become a Director. In 1716 he was sufficiently affluent to entertain George I at his mansion on Richmond Green, and even had a special room built for his royal guest.¹ Decker's generosity to his friends was as famous as his charity to the poor. "His life", ran his obituary notice, "was an undisturbed series of domestick comforts. By an orderly and well-understood hospitality, the great who frequented his house were properly received and the poor who crowded it abundantly supplied."²

The brothers Gerard and Joshua van Neck were, however, the undoubted leaders of London's Dutch colony: their names crop up continually in connection with the business in the Funds for Dutch investors, the East India trade,³ the tobacco export trade to France,⁴ and particularly in the underwriting of British loans between 1720 and 1780. They were the sons of the Paymaster of the Land Forces of the United Provinces who had settled in England, and were remarkable for outstanding personal qualities as well as for their wealth. The elder brother, Gerard, by his marriage with the widow of one of the richest Huguenot financiers in London, Sir Denis Dutrey,⁵ acts as a kind of link between the Dutch and

¹ *Dict. Nat. Biog.*

² *The Gentleman's Magazine*, 1749.

³ Gerard is described in *The Gentleman's Magazine* for 1734 as "late one of the Directors of the East India Co."

⁴ A Treasury Order of 23 July 1745, to the Customs Commissioners, granting an application by Gerard and Joshua van Neck to continue to export tobacco to France during the war, declares that the van Necks employed about sixty British ships in this trade, carrying about £16,000 worth of tobacco grown on His Majesty's Plantations (P.R.O. Calendars of State Papers, Treasury Books). Passes granted to these ships between 1745 and 1756 show that van Necks' cargoes were shipped from Bideford to Havre, Bideford to Morlaix, London to Havre and Dieppe, Greenock to Morlaix and Bordeaux, Whitehaven to Bordeaux, Ayr to Dieppe, Glasgow to Bordeaux, Ayr to Bordeaux, Ayr to Havre, Whitehaven to Havre, Kirkcudbright to Havre, Glasgow to Dieppe, Dumfries to Dieppe, Whitehaven to Marseilles, Liverpool to Dieppe, Ayr to Morlaix, Liverpool to Havre and Liverpool to Morlaix (Add. MSS. 35,872, 35,873 and 35,874).

⁵ "Daughter of M. Hilary Reneu, a merchant of Bordeaux, who was forced into England for the sake of religion" (*The Gentleman's Magazine*, 1734).

Huguenot colonies in London; he was also connected by ties of business or friendship with such prominent Huguenots as Henry de Putter, Claude Desmaretz, Claude Aubert, Peter Blacqui re, Stephen Daubuz¹ and others. Members of the Dutch colony who were among his most intimate friends were Sir Matthew Decker, Charles van Notten and Marc Cephas Tutet (presumably the son of the absconding attorney²). A man of high integrity, with an enormous capacity for work, he was known to the merchant community of London for his good sense and probity. A contemporary description of Gerard van Neck struck a note rather deeper than that of mere polite eighteenth-century flattery:

He possessed much because he was not possessed with it: he was rich because he knew how to use his riches... he could be content with a little till providence rewarded him with a great deal... punctuality and probity were seen in his dealings, they were the arts by which he invited, acquired, and maintained his business. Affection to his relations, attention and affability to his friends, respect for those above, tenderness to those below him, justice and kindness towards all, was a character that wealth might reward, but all the wealth in the world will never purchase.³

Gerard van Neck's circle of friends was for the most part composed of Huguenot or Dutch merchants, and every Friday evening he entertained a group of these merchants at his country house at Putney, a large mansion standing in 40 acres of ground with a magnificent terrace overlooking the Thames.⁴ Gerard died in 1750, leaving about £240,000, which had been mostly made in the East India trade, and the tobacco export business with France. Of this, he left over £100,000

¹ In 1732, Joshua van Neck had married Miss Daubuz—possibly daughter of Stephen Daubuz (*The Gentleman's Magazine*, 1732).

² See *supra*, p. 96.

³ *The Gentleman's Magazine*, 1750, pp. 401–2.

⁴ *Horace Walpole's Letters* (ed. Mrs Toynbee), letter to Rev. William Mason (26 Jan. 1778). In a letter to George Montagu (16 Sept. 1750) Horace Walpole wrote: "nay, riches made him so happy that, in the overflowing of his satisfaction, he has bequeathed an hundred pounds a-piece to eighteen fellows, whom he calls *his good friends* that favoured him with their company on Fridays" (see *infra*, pp. 113–114).



Gerard van Neck

to his brother Joshua, who was, with Sir Matthew Decker, his chief executor.¹ On 21 August John van Hemert wrote to de Neufvilles at Amsterdam: "Last Friday evening, Gerard van Neck died here: he has made over about £105,000 to Legatees, amongst them a considerable number of Charities."²

The legatees and charities are a useful indication of van Neck's social and business relationships. Amongst the charities were:³

The Deacons of the Dutch Church in Austin Fryars, London, for the use of their poor	£250
To the repairs and support of the said Church	£750
To the two ministers of the said Church	£200

The ministers, churchwardens and poor of the French Huguenot Church in Threadneedle Street also benefited to the extent of £770. Hospitals to benefit included the East India Company's Hospital, St Thomas's, St George's, and the French Hospital. Dutch relatives still living in Holland who received legacies included three nieces and four brothers.⁴ But it is van Neck's London friends who are the most interesting legatees. First comes Sir Matthew Decker, who got £500 "as a small token of gratitude for the friendship which he has shewn me during my life". Then there were the relatives and friends of his Huguenot wife—Mrs Ann Dupuy, Mrs Auriol, Miss Susanne Masse, Mrs de la Mon, Mrs Daubuz,⁵ Mr and Mrs Henry de Putter, Miss Reau, James Simond, Mark Liotard, Mrs Susannah Frontier, Col. de Jeant, Mr James de la Mon and Daniel Olivier (who afterwards became the partner of Joshua van Neck). Then there were the members of the private society who had visited van Neck at Putney "every Friday night": Messrs Tim Waldo, Major de la Fabre, Mr Claude Desmaretz, Mr Claude

¹ In fact Decker died before van Neck.

² Arch. Brants 374: van Hemert—Neufville, 1750.*

³ *The Gentleman's Magazine*, 1750, pp. 393–4.

⁴ See *infra*, p. 162 (note).

⁵ Wife of Stephen Daubuz, Joshua's father-in-law, a Huguenot dealer in the Funds, whose price lists for the Funds were sent to David Leeuw and others (Arch. Brants 401–2). See Plate II(a).

Aubert, Mr John Peter Blacquière, Mr John Porter, Mr James Porter, Mr Michael Rouge, Mr Etienne Masse, Mr Claude Amyand, Mr Stephen Godin, Mr Stephen Guione, Mr George de Sauffure, Mr François Mayssard, Capt. James de Normandie, Mr James Chalie, Mr Matthew Testas, Mr Samuel Pechel. These, with the exception of the Porters, were all Huguenots, and Desmaretz, Aubert, Blacquière, Rouge, Masse, Amyand, Godin, Testas, Chalie and Normandie were certainly engaged in business in the Funds for Dutch speculators.¹ (Amyand was a member of the banking house of Amyand which figured on the list of the principal underwriters for the Government loan of 1759–60, along with van Necks, Muilmans, and another Huguenot firm, the Fonneriaus.²) The servants of the family and the business were to receive £1000 to be divided amongst them; another £1000 was “to be divided amongst the poor, *English, Dutch and French*” as the executors thought fit, and £200 was laid aside for the poor of Putney. To Charles van Notten, van Neck left £300 “as a token of the friendship I always had for him”. The rest of the estate (well over £100,000) went to his brother Joshua, and Gerard concluded his will with the words: “What I recommend to him is, ever to prefer justice and honour to profit and lucre, and a good repute to the desire of riches. I recommend it also to him, to do all the good he can during his life, in proportion to the wealth with which it shall please God to bless him.”³

After Gerard died, Joshua took over the business, taking in Daniel Olivier as partner. Under Joshua, the financial side of the firm's activities was increasingly developed, and the connection with Government finance became the most important aspect of van Neck's activities. As the head of the group of Dutch and Huguenot financiers in London, Joshua's value was recognised by the Treasury: in 1751 he was made a baronet for his services to the Government.

¹ Not. Arch. (P. de Marolles and D. van der Brink).

² Namier, *op. cit.* I, 69–70.

³ *The Gentleman's Magazine*, 1750, p. 394.

While older ties drew the Dutch merchants of London together, more immediate social and economic forces were tending to make them less distinctive, and many of them gradually became merged into English society by the process of marriage, the adoption of English names and new political and social responsibilities. The van Neck family was attached to the Walpole interest, and Joshua's daughter married Thomas Walpole, M.P.¹ The younger Joshua who inherited his father's large country estate at Heveningham Hall, Suffolk, and his uncle's house at Putney, became Baron Huntingfield of Ireland in 1796.² Charles van Notten the elder, Gerard van Neck's trusted friend and executor, had married Susanna Bosanquet, of the Huguenot family which moved from Dutch and German trading³ into close association with the Bank of England. Charles van Notten the younger later became Sir Charles Pole. Richard Muilman was in partnership with Peter Muilman, his father, carrying on business in that name until 1772, when the procurations began to describe him as Richard Muilman Trench Chiswell. The change occurred on the death of his mother's brother, Richard Chiswell, who was a member of an old city family. From Richard Chiswell he inherited Debden Hall, Essex, and a further fortune of £120,000. The ascent into society was complete: as Mr Trench Chiswell he became M.P. for Aldborough, Yorkshire, a J.P. and Deputy-Lieutenant of Essex, a Fellow of the Society of Antiquaries, and a Director of the Bank of England.⁴ In 1793 he was with Lord Sheffield and Sir John Sinclair, a Commissioner for issuing Exchequer Bills to embarrassed bankers.⁵ Another member of the family, Henry Muilman, was, with van Neck, a prominent under-

¹ She died of the plague in 1760.

² *Registers of Dutch Church*. I am indebted to Lord Huntingfield for the suggestion that in settling in Suffolk the van Necks were following the example of their relatives the Walpoles.

³ See *supra*, p. 42 *et seq.*

⁴ *Registers of Dutch Church; Dict. Nat. Biog.*

⁵ Macpherson, vol. iv, p. 269.

writer of Government loans and correspondent for Holland.¹ In 1761 he stood as candidate for Haslemere, but was defeated.²

This was the Dutch Christian community, and it deserves first mention because, in spite of the emphasis laid by eighteenth-century writers in England and Holland on the part played by the Jews in finance, it is clear that individually, the Christian firms—the van Necks, the Stapels, the Barings,³ the van Nottens, the Muilmans, the Bosanquets, the Dorriens—were bigger and more important. It is they who move from trade in commodities into legitimate banking:⁴ on the whole, the Dutch Portuguese Jews who came to England did not find a permanent place in British finance.⁵ Jews and Christians alike, however, were drawn to London by the promise of heavy profits in speculation and government finance.

By the middle of the eighteenth century the number of Portuguese Jewish stockjobbers working in London for correspondents in Holland was considerable: the two best known were Sampson Gideon, who had raised several millions on his personal responsibility for the Government between 1740 and 1760,⁶ and Joseph Salvadore.⁷ These were the only two Jews on the list of Government underwriters. For the rest the

¹ Not. Arch. (van der Brink). See Appendix C, *passim*.

² Namier, *op. cit.* I, p. 61.

³ The Baring family first came to England from Groningen in connection with the west country cloth trade.

⁴ Sir Joshua van Neck, Charles van Notten (later Sir Charles Pole), Richard Muilman (later Trench Chiswell), Alexander Baring, George Dorrien and Charles Bosanquet all held high office in the Bank of England, besides carrying on private business.

⁵ The story of the Rothschilds and the Goldsmids seems to indicate that the old prejudices and groupings were altering. Though the Goldsmids came from Amsterdam, they were not members of the predominantly Sephardic community of Jewish attorneys and financiers. The rise to power of these two Ashkenazic houses, their intrusion upon the ground previously sacred to the clique of Government banking houses who managed the Loan business, and their co-operation with Barings were all events which occasioned a good deal of surprise and resentment in banking circles about the turn of the century.

⁶ Add. MSS. 33,055, f. 219. See *infra*, p. 162.

⁷ See *infra*, pp. 162–165.

Jewish dealers in the Funds were comparatively small men, who separate off conveniently from the Christian dealers: for without exception, London Jew dealt with Amsterdam Jew, London Christian with Dutch Christian, as the procurations show.¹ A few of the more prominent Jewish dealers who worked in London for Amsterdam correspondents between 1720 and 1780 were:

F. Pereira	Isaac Ximenes	Isaac del Monte
E. Mendes da Costa	Isaac de Pinto	Abraham Oronio
Rodrigo Ximenes	George Capadose	Solomon Gompertz
Solomon da Costa	Jacob Jesurum	Benjamin Cohen ³
Joseph Henriques	Abraham de Crasto	Levy Salomons ⁴
S. de Mendes Pereira	Isaac Mendes da	Jacob Fernandez
Jacob Pimantel	Costa	Nunes
Isaac Peixotta	Jacob, Moses and	Hananel Mendes da
Joseph and Isaac	Raphael Franco ²	Costa
Sequeira	Abraham Buerdo	Joseph Saportas
Jacob da Costa	Abraham Ricardo	Samuel Saportas

Apart from business considerations and legal necessities, however, there were other economic and social attractions in England. Capital was less plentiful and in greater demand: as the century proceeded, the expenses of war grew, loans followed the army, and inventors and factories ministered to the needs of British expansion. Interest remained, even after reductions, notably higher in England than in Holland, and smoothly as the attorney system worked, the possibilities of profit and pleasure were greater in London than in Amsterdam. As Dr Burney remarked: "Upon the whole, Amsterdam does not seem to be a very amusing residence for idle people: there is so little for them to see in the way of pleasure."⁵ The playhouse had been burnt down and the only theatrical

¹ See Appendices B, C, D. The possibility of legal complication was probably an important factor in producing this marked separatism.

² Described by the author of *Les Vrais Intérêts du Commerce* (Koninklijke Bibliotheek, No. 19004) as "the richest Jewish House in London", p. 18.

³ The number of Ashkenazic Jews dealing in the Funds was not large: at Amsterdam they were concerned mainly in the bullion trade (van Dillen, *Econ. Hist. Jaarboek*, vol. xvii, 1931).

⁴ A merchant and underwriter who married Matilde de Metz of Leyden: their son, Sir David Salomons, was the first Jewish Lord Mayor of London.

⁵ Burney, *Survey of European Music* (1773), p. 285; also p. 302.

exhibitions were at the fairs, in an occasional booth: the inhabitants had no places of amusement in the evening "except their shops and counting-houses". By contrast, London offered a variety of social attractions: dealing in the Funds gave promise of high profit, while for the enterprising there was always the opportunity for social advancement, as the history of the van Necks, the Muilmans, the Barings, and the Deckers shows. Apart from high politics and the City, the opportunity to become an English country gentleman was not the least of the attractions offered. Sampson Gideon (whose father's name had been Abudiente), the "leader and oracle of Jonathan's Coffee House", bought country estates at Erith, Salden in Buckinghamshire, Spalding and Caistor in Lincolnshire and Borough Fen near Peterborough, and as Lord of the Manor of Spalding he was elected a member of the Gentlemen's Society at Spalding. His son became a member of the Irish Peerage as Lord Eardley.¹ There was a constant trickle of Christians and Jews from Holland to London.

(v) *The Financial Biography of David Leeuw 1719-1754*

Share gambling was a picturesque as well as a dubious game, and both qualities brought it publicity: de la Vega and de Pinto defended it: the author of *Les Vrais Intérêts du Commerce* was only one of hundreds who declaimed against it, and Quaker piety produced the Act of 1734 to put a stop to it. Speculation was, however, only a superstructure built upon a more solid transfer of real capital. It was a profitable and exciting business to put money on the horse, but there had to be somebody who could pay for the horse and while the speculators were of considerable value to the Government in keeping up prices, financial support came, in the last resort, from a class of capitalists seeking permanent investments and paying cash for its purchases of stock, and this class was a large one in Holland. Its members included spinsters, widows, retired naval and army officers, magistrates, retired merchants,

¹ *Dict. Nat. Biog.* "Gideon".

parsons and orphanages. From the correspondence of David Leeuw with his three London attorneys between 1719 and 1754, we can watch one such investor, a fairly prosperous Dutch merchant, in the process of acquiring a solid block of profitable investments in Bank of England, East India and South Sea securities. Leeuw had made his money in trade with London and the west country: from these two regions he imported English cloth, exporting German and Dutch linens in return. He also speculated on silks and colonial goods (particularly tea and coffee) from London.¹ Until 1719 most of his capital was tied up in this trade. Early in 1719, however, he appointed his first London attorney, Peter Crellius: Crellius had already been engaged in commercial transactions with Leeuw. Crellius looked after Leeuw's business in the Funds until his death in July 1722. Meanwhile, Leeuw had already appointed another attorney—this time his cousin, Gilbert de Flines—in October 1720. After Peter Crellius died, de Flines took over the whole of Leeuw's London business: de Flines died in 1740, and was succeeded by Willem Kops, who continued to act as attorney until Leeuw died in 1754. All these three correspondents were Dutchmen resident in London and little enough Anglicised to carry on all their correspondence in Dutch.

Leeuw's first venture into the British Funds coincided with a general increase in the popularity of South Sea stock in Holland: the attorney's activity in 1717, 1718 and 1719² indicates that Leeuw was only one of a large number of middling capitalists who were drawn into British finance. His first purchase was of £1000 South Sea shares in March 1719:³ on 16 April 1719 Crellius bought £1000 Bank shares for £1459. 10s. od. (cash) and transferred Leeuw's first dividend of £15 to his account.⁴ With the purchase of Bank

¹ Arch. Brants 401: correspondence of Leeuw with London merchants, *passim*.

² Not. Arch. 7953-85.

³ Arch. Brants 401: Crellius—Leeuw.*

⁴ Arch. Brants 401: Leeuw. Half-yearly account.*

stock, another authorisation was necessary for Crellius to receive dividends: the procuration was duly sent in April.

Know all men by these presents that I, David Leeuw, Merchant of Amsterdam, do make, constitute and appoint Peter Crellius of London, Merchant, my true and lawfull Attorney, for me and in my name and on my behalf to receive and give receipts for my dividend of Tenn Pounds per Centum upon One Thousand Pounds shares or Interest in the Capital Stocks and Funds of the Governorr and Company of the Bank of England, which said Dividend of tenn Pounds per Centum was by a General Court held the Sixteenth day of July One Thousand Seven Hundred and Nineteen, ordered to bee divided as part of the Principal or Capital Stock and to do all lawful Acts requisite for effecting these premises. Ratifying and confirming all that my said Attorney shall do therein by vertue thereof. In witness whereof I have sett hereunto my hand and seal in Amsterdam aforesaid the day of in the year of our Lord, 1719.¹

Armed with this authorisation, Crellius proceeded to the Bank of England on 17 April with Willem de Gols, a Dutch notary living in London who was the brother or cousin of Conrad de Gols, the cashier of the South Sea Company.² De Gols witnessed the transfer of the stock, and Crellius sent his document to Leeuw:

I, the undersigned, Willem de Gols, Notary Public admitted and sworn by legal authority of this Kingdom of Great Britain, living in London, declare and certify as the truth that I, at the request of Heer Peter Crellius, Merchant in London, applied at the Chamber of the Bank of England where it was shown to me that yesterday, being the 16th of April 1719, was transferred and set over by Charles Loubière A Thousand Pounds Bank Stock, on behalf of Heer David Leeuw of Amsterdam: this was accepted by the said Peter Crellius and the transfer stands in the name and account of the said Heer David Leeuw in the Transfer Book of the Bank, Letter K Folio 1. All this I declare to have seen and found correct in London this 17th of April. Anno Domini. 1719 British Style.

Quod attestor manu ac Sigillo
Willem de Gols.³

¹ Arch. Brants 401: Leeuw—Crellius.*

² Not. Arch. 8007: Procuration Janssen—Termettsen.

³ Arch. Brants 401.*

Leeuw was not satisfied with the way Crellius had handled the purchase, and apparently wrote expressing his dissatisfaction and accusing Crellius of putting money into his own pockets over the deal. Crellius, righteously indignant, replied on 9 May:

I have just received your esteemed letter of the 28th April, in which to my sorrow, I find that you take amiss my conduct with respect to the purchase of your Bank shares, but I am chiefly hurt by your suspicion "by which you put money in your own pocket, and I must take patience"¹ which gives the impression that I had bought the shares more cheaply and charged you more in my Bill: now on the contrary, I am in a position to send proof of the shares and of the price: it is hard for a Commissionair to undergo such suspicion without reason. I execute your orders on the best terms but such replies make unpleasant reading. I am honourable in all my dealings and hope to die so. I await your answer.²

Presumably Leeuw withdrew his accusation: at any rate, the correspondence continued. Leeuw did not make another investment for six months, and the correspondence was restricted to gossip and occasional stock quotations. From these, Leeuw could see that while other stocks were either stationary or falling, South Sea stock was rising steadily, and by September had risen to 116. In this month Crellius began to send his correspondent a printed price courant of stocks on which the daily prices were filled in by hand.³ These lists, which continued until March 1720, gave quotations for Bank of England shares, Bank Annuities, East India and South Sea shares, Lottery Annuities and Million Bank shares. A price list constructed from these shows how prices in general began to rise in January–February 1720.⁴ But Leeuw was too shrewd to allow himself to be drawn into risky speculations, and he kept carefully away from the temptations of South Sea shares. He may, on the other hand, have indulged in a little option dealing on the Amsterdam Bourse (this would not appear in his correspondence with London). Certainly he

¹ Quoting Leeuw's words.

² Arch. Brants 401: Crellius—Leeuw.*

³ See Plate II(b).

⁴ See attached list (p. 123).

was interested enough to ask for option rates: one for 1719 gives the following rates:¹

East Indian (to deliver ²)		East Indian (to receive ³)	
For 12 months	14-15 guineas	For 12 months	6 guineas
6	9	6	5
3	5	For 12 at 185	2-3
For 12 at 200	10	12	180 3
6	5-6		
For 12 at 205	8		
6	4		
South Sea shares (to deliver)		South Sea shares (to receive)	
For 12 months	7 guineas	For 6 months	2 guineas
6	4	3	1½
3	2		

In general, Leeuw was out to make permanent investments as cheaply and safely as possible, and this policy squared with the advice of Crellius to stick to Bank shares and avoid South Seas. Bank shares were actually falling: between September and October 1719 they fell from 148 to 143, and by 3 November they stood at 140. Crellius then advised him that the tide was likely to turn, and that the time had arrived to buy. In the week 3-10 November, Leeuw bought £1000 Bank shares: first, £500 from Sir George Caswell,⁴ and then another £500 from Thomas Haley.⁵ Both these purchases were carried out by Crellius at 142. In January 1720, shares began to rise rapidly, stimulated by the rumour which had begun to circulate just before Christmas that the stocks of the East India Company, the Bank of England and the Exchequer were to be incorporated in the South Sea Company. On 1 January 1720, Bank stood at 150, East India at 200, and South Seas at 128. The two latter rose quickly and on 18 January, while Bank had only risen one point, South Seas

¹ Notitie van de Premiën van Actien (Arch. Brants 401: Crellius—Leeuw).*

² "Calls."

³ "Puts."

⁴ Arch. Brants 401: Transfer (Folio 115) witnessed by de Gols.*

⁵ *Ibid.* Transfer (Folio 120, Letter L).*

Brants 401. Price courants

Date	Bank Actien	EI	ZZ	Bank An- nuities	Lottery An- nuities	Million Bank
1719						
4-15 Sept.	148 $\frac{1}{2}$ - $\frac{1}{4}$ 148 $\frac{1}{2}$ - $\frac{1}{4}$ 148 $\frac{1}{2}$ - $\frac{1}{2}$	195-4 $\frac{3}{4}$ 194 $\frac{3}{4}$ -5 $\frac{1}{2}$ 194 $\frac{3}{4}$ -5 $\frac{1}{2}$	116 $\frac{1}{2}$ - $\frac{1}{2}$ 116 $\frac{1}{2}$ - $\frac{1}{2}$ 116 $\frac{1}{2}$ - $\frac{3}{8}$	No transferors		118 $\frac{1}{4}$
29 Sept.- 10 Oct.	143 $\frac{1}{4}$ 143 143	193 192 $\frac{3}{4}$ - $\frac{1}{2}$ 192 $\frac{1}{2}$	116 $\frac{5}{8}$ - $\frac{3}{4}$ 116 $\frac{5}{8}$ 116 $\frac{1}{2}$	102 102 102	101 $\frac{3}{4}$ 101 $\frac{3}{4}$ 101 $\frac{3}{4}$	119 $\frac{1}{2}$ 119 $\frac{1}{2}$ 119 $\frac{1}{2}$
2-13 Oct.	143-2 $\frac{3}{4}$ 143 142 $\frac{3}{4}$ -3	191 $\frac{1}{2}$ -2 192-2 $\frac{1}{4}$ 192 $\frac{1}{2}$ -3	116 $\frac{3}{8}$ - $\frac{1}{2}$ 116 $\frac{1}{2}$ - $\frac{3}{4}$ 116 $\frac{1}{2}$ - $\frac{7}{8}$	102 — —	101 $\frac{3}{4}$ 101 $\frac{3}{4}$ 101 $\frac{3}{4}$	119 $\frac{1}{2}$ 119 $\frac{1}{2}$ 119 $\frac{1}{2}$
16-27 Oct.	143 $\frac{1}{2}$ -4 143 $\frac{3}{4}$ - $\frac{1}{2}$ 143 $\frac{1}{2}$ -2 $\frac{3}{4}$	193 $\frac{1}{2}$ - $\frac{3}{4}$ 193 $\frac{3}{4}$ -4 193 $\frac{1}{2}$ - $\frac{1}{4}$	117 $\frac{1}{4}$ - $\frac{3}{4}$ 117 $\frac{3}{4}$ - $\frac{5}{8}$ 117 $\frac{1}{2}$	102 102 102 $\frac{7}{8}$	101 $\frac{3}{4}$ — 101 $\frac{5}{8}$	120 — —
20-31 Oct.	142 $\frac{3}{4}$ — $\frac{1}{2}$ 142 $\frac{3}{4}$	194 193 $\frac{1}{2}$ 193 $\frac{3}{4}$	117 $\frac{5}{8}$ 117 $\frac{1}{2}$ - $\frac{3}{8}$ 117 $\frac{3}{8}$ - $\frac{1}{2}$	101 $\frac{7}{8}$ — —	101 $\frac{5}{8}$ — —	120 — —
23 Oct.- 3 Nov.	142 $\frac{1}{2}$ — 142 $\frac{1}{2}$ - $\frac{1}{4}$	193 $\frac{1}{2}$ 193 $\frac{1}{4}$ —	117 $\frac{3}{8}$ 117 $\frac{1}{4}$ - $\frac{7}{8}$ 117 $\frac{1}{4}$	101 $\frac{7}{8}$ — 101 $\frac{7}{8}$ - $\frac{3}{4}$	101 $\frac{5}{8}$ — — $\frac{1}{2}$	120 — —
30 Oct.- 10 Nov.	142 $\frac{1}{4}$ —1 141-40 $\frac{1}{2}$	193 $\frac{1}{4}$ 193 $\frac{1}{4}$ -91 191-90	117 $\frac{1}{4}$ 117-15 $\frac{3}{4}$ -16 116-15 $\frac{1}{2}$	101 $\frac{7}{8}$ -2 101 $\frac{7}{8}$ 101 $\frac{3}{4}$	101 $\frac{5}{8}$ -2 101 100 $\frac{3}{4}$	119 $\frac{3}{4}$ 119 $\frac{1}{4}$ - $\frac{1}{2}$ 119 $\frac{1}{2}$
3-14 Nov.	141 $\frac{1}{2}$ 140 $\frac{1}{2}$ -1 140 $\frac{3}{4}$ -1	191 $\frac{1}{4}$ 190 $\frac{1}{2}$ - $\frac{1}{8}$ - $\frac{1}{2}$ 190 $\frac{3}{4}$	116 $\frac{1}{8}$ - $\frac{5}{8}$ - $\frac{1}{8}$ 116-15 $\frac{7}{8}$ -16 116 $\frac{1}{4}$	101 $\frac{3}{4}$ 101 $\frac{1}{2}$ 101 $\frac{1}{2}$	100 $\frac{3}{4}$ - $\frac{1}{4}$ 100 $\frac{1}{2}$ - $\frac{3}{4}$ - $\frac{1}{4}$ 100 $\frac{1}{2}$ - $\frac{5}{8}$	119 $\frac{1}{2}$ — —
6-17 Nov.	141 $\frac{1}{2}$ — 141 $\frac{1}{2}$ - $\frac{5}{8}$	191 $\frac{3}{4}$ - $\frac{1}{2}$ 191 $\frac{1}{2}$ 191 $\frac{1}{2}$ - $\frac{3}{4}$	116 $\frac{1}{4}$ - $\frac{1}{2}$ 116 $\frac{1}{2}$ 116 $\frac{5}{8}$ - $\frac{7}{8}$	101 $\frac{3}{4}$ — $\frac{1}{2}$ 102	100 $\frac{3}{8}$ - $\frac{3}{4}$ 100 $\frac{3}{4}$ -1 101	119 $\frac{1}{2}$ — —
1720						
1-12 Jan.	149 $\frac{1}{2}$ -50 150 $\frac{1}{4}$ —	199 $\frac{3}{4}$ —200 200 $\frac{1}{4}$	126 $\frac{1}{2}$ -7- $\frac{1}{2}$ 127 $\frac{1}{2}$ -8 128 $\frac{3}{8}$	102 — —	102 $\frac{1}{4}$ 102 $\frac{3}{8}$ 102 $\frac{1}{2}$	127 — —
29 Jan.- 9 Feb.	151-3 $\frac{1}{2}$ -2 $\frac{1}{2}$ 153-4-2 $\frac{3}{4}$ 152 $\frac{3}{4}$ -3 $\frac{1}{4}$	205 204 $\frac{1}{2}$ -3-4 204 $\frac{3}{4}$	135 $\frac{3}{4}$ -6 $\frac{3}{8}$ 131-27-9 $\frac{1}{4}$ 129 $\frac{1}{4}$ - $\frac{3}{4}$ -8 $\frac{3}{4}$	101 $\frac{1}{2}$ — 101 $\frac{1}{4}$	102 $\frac{7}{8}$ 102 102 $\frac{7}{8}$	130 — —
16-27 Feb.	148 $\frac{1}{2}$ — 148	212 212-14 216	170 $\frac{1}{2}$ - $\frac{3}{4}$ 174-81 187-84	100 $\frac{1}{4}$ — —	100 $\frac{1}{2}$ — —	135 — —
19 Feb.- March 1	148 147 $\frac{1}{4}$ 147 $\frac{1}{2}$ -8 $\frac{1}{2}$	214-16 214 213-14	184-0-2 180-77-79 182-81	100 $\frac{1}{4}$ — —	100 $\frac{1}{8}$ — 100 $\frac{3}{8}$ - $\frac{1}{2}$	135 — —

were up to 135-6 and East India to 205. Crellius, always cautious, wrote: "Shares, as you will have seen, are very high, and the general opinion is that they will all continue to rise. Bank shares are not mounting as rapidly as the others, but opinion ranks them the safest of all: most of the speculation is falling on South Seas—and to some extent on East India."¹

Early in February, while South Seas were showing a tendency to fall, Bank shares were steady, and Leeuw bought again, this time £1000 Capital Bank shares from John Bance, a London dealer, who acted as correspondent for several Dutch speculators.² On 28 April he bought another £500 Capital Bank shares.³ Meanwhile, the boom in South Sea stock had begun, but Crellius was still very cautious about it, and wrote to Leeuw on 19 April:

Many people are selling out in South Seas in order to profit by the 10 % augmentation of the Capital, since the Dividends declaration falls on June 24th: Shares seem to be still notably higher, but it looks to me as if the best-informed people are against the rise and great Projects of the South Seas Company, believing the Bank and East India Company to be, in general, more secure and reliable than the South Sea Company.⁴

By the end of April the "meridian frenzy" was well under way, and the City was under the spell of the speculative mania. Even the prudent Crellius could not then resist the temptation of going to have a look at the scenes:

I had a Fancy to go and take a look at the throngs, and I must admit that things are going so wonderfully and so beyond all expectations that one stands paralysed and as if bound in Chains: this was how it struck me yesterday: it is like nothing so much as if all the Lunatics had escaped out of the Madhouse at once.⁵

¹ Arch. Brants 401: Crellius—Leeuw, 16 Jan. 1720.*

² Not. Arch. 7985-7 and Arch. Brants 401: Crellius—Leeuw, 16 Feb.* See Appendices B and C. Bance was later in partnership with the van Necks in the business of floating a loan to Hungary on the security of the royal copper mines (Add. MS. 23800 and 32972).

³ Arch. Brants 401: Crellius—Leeuw, Folio 324, Letter L.*

⁴ Arch. Brants 401: Crellius—Leeuw.*

⁵ "Alsof de Krankzinnige te gelyk uyt het Dolhuys waren uytgebrooken."

I don't know what to make of it all. As we told you in the last Letter about the June dividends, shares will remain high for a time, but for how long—? that is a puzzle.¹

Towards the end of April, Crellius wrote of the scheme of the Bank to borrow 50 % on their 5 % shares, and apparently realising that this was likely to precipitate a fall, Leeuw sold £500 Bank shares at 160 %. Immediately afterwards, Bank shares fell from 162 to 152.² During May and June there was some more profitable selling. Bank shares were rising in parallel with South Sea shares, though less spectacularly. Leeuw took advantage of the rise to sell £1000 Bank shares to Heer Jan Agges Scholten at 170 and £500 Bank shares to Joan van Eyndhoven at 169. On 1 June he sold another £500 Bank shares to Scholten at 179½ and £500 Bank shares at 208½.³ These real sales were partly attributable to the obvious opportunities for profit in the unprecedented all-round rise of quotations: partly, no doubt, to Leeuw's natural caution lest he should accumulate too large a block of investments in stocks the security of which he was always inclined to question. After these sales, he still had £3500 invested in Bank shares, bringing him in a half-yearly dividend of £122. 10s. This was not usually remitted separately to him, but went down as a credit item on his current account with Peter Crellius (which was still mainly a *trading* account), thus helping to cover Leeuw's purchases of further shares on commodities from England.

In the meantime, wrote Crellius, the South Sea Company was forging ahead, augmenting its old capital of twelve millions and the new subscription of two millions by a 10 % dividend, making a total capital of £15,400,000. South Sea shares had risen to 345, while Bank shares stood at 139–147.⁴ Leeuw himself stood carefully aloof from the wilder speculation, but did some buying for other Dutch speculators who

¹ Arch. Brants 401: 29 April 1720.*

² Arch. Brants 401: Crellius—Leeuw, 29 April—10 May.*

³ Transfer deeds (Arch. Brants 401). See Fig. 2, p. 100.

⁴ Arch. Brants 401: Crellius—Leeuw, 22 April—2 May 1720.*

were not so cautious. On 17 May, for example, Crellius acknowledged an order from him to buy £1000 South Sea shares for Samuel du Pré and Lewis van der Enden for £3520.¹ On 31 May he wrote informing Leeuw of his belief that South Sea shares would rise to 1000 %.² This only seems to have confirmed Leeuw in his determination not to have anything to do with the business, and Crellius's comments on this, the craziest period of bubble finance, are accordingly disappointingly scanty. On 1 July he wrote: "South Seas are going up and I believe will go even higher. Bank and East India are bound to advance markedly, but all opinion is uncertain. I don't claim to be an Oedipus: sometimes I am right and sometimes wrong—but not for very long."³

In August the speculative mania reached its highest point. On 20 August South Sea stock was at 820, and on the 24th at 1000. But still Crellius's transactions for Leeuw were restricted to some profitable selling of Bank stock. On 16 August he sold £500 shares to Moses Blauw at 165½, and three days later £500 to Ephraim Mendes da Costa, Junior at 156½, negotiating at the same time for a purchase of £1000 Bank shares at 220.⁴ During the first week of September it became clear that all was not going well, and South Sea stock could not be kept higher than 800. By 8 September it was down to 680. Bank stock, on the other hand, still remained high, and on the 16th Crellius wrote: "All goes well with shares here. The Bank closed their books yesterday for dividends at 212-213, and to-day quotations remain (without dividends) at 235."⁵

By 20 September it was quite clear that the market had collapsed. South Sea stock was down to 410, and the Company held a meeting, as a result of which a further fall took place. Crellius wrote gloomily: "As a result of the General Meeting of the South Seas Company, shares have fallen, a

¹ Arch. Brants 401: 17-28 May.*

² Arch. Brants 401: 31 May-11 June.*

³ *Ibid.**

⁴ Arch. Brants 401: 16-27 Aug.; 19-29 Aug.*

⁵ Arch. Brants 401: 16-27 Sept.*

great deal of confidence has disappeared and many bankers have retired from the market. Forward sales of Bank stock are down to 150.”¹

Throughout September the rout went on, and by the end of the month, South Sea stock had slumped to 175 and East India stock to 165. Bankruptcies were rife, but already proposals were in the air to assist to disentangle the muddle. Crellius remained pretty optimistic: “Bankruptcies continue here but things are pretty calm and we are hoping that these melancholy times will come to an end. Shares remain steady and above my expectations. Now, everything depends on the King’s arrival and the Session of Parliament.”²

But progress was slow, and on 1 October little had been done to relieve the situation: “Everything is at a standstill here with bankruptcies. There is some talk of the failure of two more great houses, but we are hoping it is false. There is no money on the Exchange, and I am afraid things will stay like this for a time.”³

Leeuw’s caution was rewarded, however, for in comparison with other stocks Bank had remained steady, and investors who had avoided the speculative excesses of the summer were in a good position to buy cheap. In November Leeuw gave two buying orders to Crellius, who wrote that he had bought one lot of £500 Bank shares at 143 and another lot of £500 at 144.⁴ In December the Parliamentary Enquiry was announced, and Crellius informed his correspondent that the outlook was clearing a little: the bankruptcies seemed to have ceased, stock prices were steadier and Parliament was about to discuss the situation.⁵ “Everything depends on Parliament but it is my opinion that it will have to send up share prices, and that right quickly, or else the Nation will be in a worse state than before.”

The rest of the month was occupied in considering

¹ Arch. Brants 401: 20–28 Sept.*

² Arch. Brants 401: 25 Sept.–5 Oct.*

³ Arch. Brants 401: 1–12 Oct.*

⁴ Arch. Brants 401: 4–15 Nov.*

⁵ Arch. Brants 401: 6–17 Dec.*

Parliament's scheme for relieving the hardships of the South Sea shareholders by ingrafting eighteen millions of their stock on to the two other great companies—nine millions on to the Bank and nine millions on to the East India Company.¹ Meanwhile the Directors of the Company were ordered to lay a report of their activities before Parliament. On 30 December Crellius wrote that the Bank had had their meeting and had agreed to incorporate nine millions of South Sea stock. The following Tuesday, the East India Company followed suit.² Still things moved maddeningly slowly, and Parliament, in irritable mood, began a thorough investigation of the mutilated accounts. It was revealed that heavy bribery had taken place, and Knight, the cashier, promptly absconded. On 14 February the affairs of the Company were still in a muddle:

Shares are pretty well at a standstill and there is no business being done. Everything depends on whether Parliament can stabilise the South Sea Company. I do not doubt that a secure settlement will be made, and the Crown will certainly relinquish the Premium of £7½ millions offered by the Company at the last Session. The South Sea books are bound to stay closed for a while until the new accounts have been prepared: then, I think, things will begin to improve.³

But throughout March and April the Company's books stayed shut, and shares fluctuated while Parliament was deciding how to deal with the Directors, one of whom was the Dutch correspondent Sir Theodore Janssen,⁴ who was expelled the House and committed to the keeping of the Serjeant-at-Arms.⁵ On 1 May the books were opened. On 2 May Crellius wrote: "The Books of the South Sea Company were opened yesterday, and according to custom, will now remain

¹ Arch. Brants 401: 20–31 Dec.*

² Arch. Brants 401: 23 Dec.–3 Jan. 1721; 30 Dec.–10 Jan.*

³ Arch. Brants 401: 14–25 Feb.*

⁴ See Appendix B, pp. 208, 209; Not. Arch. 7985–6.

⁵ Janssen was made to pay over about a quarter of a million, some of it in real estate (*Dict. Nat. Biog.*).

open. Shares stood at 139, and have since risen to 143. Many people think the rise will continue."¹

In spite of some uncertainty, shares gradually began to rise, and Leeuw began to deal occasionally in Bank stock.² Before the market had really settled down, however, Peter Crellius died, and Margaret, his wife, wrote to Leeuw: "The Almighty has taken away my beloved Husband, Peter Crellius, from this world."³

Leeuw's next correspondent, Gilbert de Flines, was descended from an Antwerp family which fled to Amsterdam in 1576, where they became a well-known patrician family (de Flines's grandmother was a niece of the greatest of the Dutch poets, Joost van den Vondel). De Flines was born in Amsterdam on 19 February 1690, and came, about 1720, to London where he was connected in business with the van Hemerts; his wife was Elizabeth du Pré, of a Huguenot family, members of which were already involved in finance at Amsterdam and London.⁴ He was appointed attorney in 1720, possibly because Crellius was already an old man, but it was not until after Crellius's death that he began to undertake financial business. Until then, de Flines only sent Leeuw quotations (possibly as a check on Crellius) and otherwise dealt only in commodities, including purchases at the sale of £100,000 worth of beaver furs in December 1722 by the Hudson Bay Company.⁵

In November 1722 Leeuw once again began to invest. On 20 November de Flines bought £500 Bank shares at 114½, which brought Leeuw's total holdings to £2500 Bank shares, bringing him an annual interest, minus commission to de Flines, of £157. In April 1723 Leeuw held £3500 Bank shares and £700 South Sea shares (which seem to have been

¹ Arch. Brants 401: 2-13 May.*

² Arch. Brants 401: 27 June-8 July.*

³ Arch. Brants 401: 3-14 July. Margaret Crellius continued to act as attorney for Dutch correspondents.*

⁴ Elias, *op. cit.* II, 1005-6. Also Not. Arch. 7985-7. See also Appendix B, p. 207.

⁵ Arch. Brants 401: De Flines—Leeuw, 13-24 Dec. 1722.*

left to him by Peter Crellius). On 14 June 1723 Leeuw bought another £500 South Sea stock, bringing his holding in ~~those~~ Funds to £1200. The South Sea Annuities which had emerged from the final conversion scheme were proving popular with Dutch investors by 1723,¹ and Leeuw was considering investing in them. De Flines wrote on 11 October: "In order that I may receive interest on Joint Stock or Annuities in the South Seas, I shall have to have your Procuration for the Capital which you have standing to your name."²

On 27 December 1723 de Flines wrote asking Leeuw to send him a procuration authorising him to subscribe for "Lyffrenten at York Building". From the time of the final settlement of the South Sea Company's affairs, and the issue of Annuities, quotations began to rise steadily. Between August 1723 and September 1725 quotations on the Amsterdam Bourse were as follows:³

		Bank	E.I. Co.	S.S. Co.	S.S. Annuities
1723	9 Aug.	120½	128	103¼-½	—
	17 Sept.	122	132	108	99½
1725	1 Jan.	132	152	121½	106
	5 Sept.	138	172	123	109½

Accordingly, Leeuw did some modest buying and in August 1724 sold out well: de Flines sent details of his sales at London:⁴

£1000 Bank shares at 131⅜ to J. and S. Barrot.
 £600 South Sea stock at 117 to Isaac Abrabanel Davids.
 £1000 Bank shares at 131⅜ to Robert Westley and John Vonberg.
 £600 South Sea Annuities at 105⅞ to Abraham Crop.

By 1727 Leeuw was well launched on a policy of investment which was to build up for himself and his family a solid block of holdings in the British Funds. In that year he began to buy steadily. On 3 January de Flines and de Gols (the London

¹ See Appendix B, pp. 212-213.

² Arch. Brants 401: De Flines—Leeuw, 11-22 Oct. 1723.*

³ van Dillen, *Econ. Hist. Jaarboek*, vol. xvii, 1931.

⁴ Arch. Brants 401: 1 Sept. 1724.* See Fig. 3.

London

Certificatie

Ik Ondergeteek Willem Delfols Openbaer Notaris
by Wettelycke Auctoriteit deses koninkrijgs van
Groot Brittagnie geadmilleert ende gesworen
tot London woonachtigh Verklaere ende
Certificeere by desen Voor de Waerheit dat Ik
ten Versoecke vande Heer Gilbert de Miness
Loopman in London mij verwoeght hebbe ter
Kamere vande Bank van Engelandt op het
Comptoir vande Levill List Annuities alwaer
aen mij notaris, door de Boeckhouder is aenge
toont ende gebleeken in het Groot Boeck
"Vande Levill List Annuities op folio. 289.
dat de Heer David Leeuw tot Amsterdam
Jegenwoordigh in geheel op Sijn Edts Eygen
naem ende Reekeningh heeft staen een
Capitael van acht Honderd ponden
Levill List Annuities.

Alle he welcke Doors: Maet Verklaere
Ik Notaris also selfs gezien ende Onderwon
den te hebben, in London den Seenden Maj
"Anno Dom: 1724 Stijle van Groot Britt

Quod Attestor manū ac sigillo

Willem Delfols Notaris
Publ^e a^o 1724

Figure 3. Certificate of Witness from De Gols to Leeuw, 1724

Dutch notary) witnessed the transfer of £500 Bank shares to Leeuw, and on 7 February the transfer of another £1000 Bank shares.¹ Apparently Leeuw went over to England at the time, for on the envelope is a note in his own hand:

Notarieel Certificate that on February 7th, 1727, I found at the Bank on my account £6500 Bank Stock, whereof my sister Christina owned £1500, my brother Dirk £500—so that I have £4500 sterling Bank securities for myself. Note (June 1727)—I bought for my account £500 Bank shares, making my account £5000.²

The current account for 1727 shows the year's purchases for Leeuw through de Flines:³

£500 Bank shares at 117 $\frac{3}{4}$.
 £1000 Bank shares at 124.
 £500 South Sea Annuities at 104 $\frac{3}{4}$.
 £500 Bank shares at 130 $\frac{5}{8}$.
 £500 Bank shares at 130 $\frac{1}{2}$.

By 5 October 1727 Leeuw owned in all £7000 Bank shares and £2000 South Sea shares.

The year 1728 saw a general fall of quotations as a consequence of what seemed an imminent European war: indeed, war was probably only averted by Walpole's prompt despatch of British squadrons to the Baltic and diplomatic pressure on the Emperor. Between May 1728 and January 1729, all stocks had fallen by 7–14 points, and Leeuw took advantage of the fall to do some cheap buying. His purchases through de Flines included:

£3450 South Sea Annuities.
 £3392 Bank shares.
 £500 South Sea shares.⁴

¹ Arch. Brants 401: Transfer deed (Folio 933, Letter W).*

² For this last purchase there is a receipt from the Bank, signed by Henry Dry, and witnessed by F. Jones, acknowledging £651. 5s. in payment for £500 Bank shares (20 June 1727).*

³ Arch. Brants 401: De Flines—Leeuw, 25 Dec. 1727.*

⁴ Arch. Brants 402: De Flines—Leeuw, vol. II, 25 Dec. 1729.*

From 1729 to 1739 Leeuw's purchases of stock through de Flines accumulated steadily:

1729. £7500 Bank shares.
 £2000 South Sea Annuities.
 £4500 South Sea shares.¹

In 1730 he bought:

£1000 South Sea Annuities at 105 $\frac{7}{8}$ (27 Jan.).
 £500 South Sea shares at 105 $\frac{1}{4}$ (9 Feb.).
 £500 South Sea shares at 106 $\frac{7}{8}$ (26 Feb.).
 £1000 South Sea Annuities at 106 $\frac{3}{8}$ (17 Dec.).
 £500 South Sea Annuities at 106 $\frac{7}{8}$ (22 Dec.).²

The current account for 25 December 1730 shows that he then had³

£5000 South Sea shares.
 £7500 Bank shares.
 £7000 South Sea Annuities.

The subsequent additions to Leeuw's holdings are shown as follows in the balance sheets presented each December:⁴

25 December 1733:

£5500 Bank shares.
 £6225 South Sea shares.
 £7500 South Sea Annuities.

25 December 1735:

£5500 Bank shares.
 £9000 Old South Sea Annuities.
 £6500 New South Sea Annuities.⁵

25 December 1736:

£5500 Bank shares.
 £10,000 Old South Sea Annuities.
 £7500 New South Sea Annuities.

25 December 1737:

£5500 Bank shares.
 £10,000 Old South Sea Annuities.
 £8000 New South Sea Annuities.

¹ Arch. Brants 402. ² Arch. Brants 402: 25 Dec. 1730.*

³ *Ibid.**

⁴ Current Accounts, 1733-9: Arch. Brants 402.

⁵ The New South Sea Annuities were issued in 1733. Leeuw converted: his first purchase was on 24 May 1735, when he bought £1000 worth from Lord Castlemain. (Arch. Brants 402.)

25 December 1738:

£5500 Bank shares.
 £12,000 Old South Sea Annuities.
 £8500 New South Sea Annuities.

25 December 1739:

£5500 Bank shares.
 £13,000 Old South Sea Annuities.
 £9500 New South Sea Annuities.

On the day of this last account Gilbert de Flines died: once again the exclusiveness of this group of London Dutchmen was demonstrated. The executors of his will were Matthew de Neufville (the manager of Neufvilles' London branch) and Gerard Bolwerk, one of the best-known correspondents on the Funds. De Flines's brother, Philip de Flines, who also lived in London, wrote from there to Leeuw on 2 February 1740, to discuss the appointment of a new attorney.¹ There are, he says, several reliable houses—Jan and Cornelis Backer, Gerard van Neck, Abraham and Francis Crayesteyn, Theodore Jacobsen, Muylmans, van Hemerts, Bartholomew Burthon—and others. Burthon, or Burton, who subsequently became Deputy-Governor of the Bank, was a likely man:

...this eldest Burthon who for the most part has his business entirely in Stocks, has married a wife of good means, lives a very regular life, always attentive to his business. There are various others whom I can't call to mind at the moment, and others whom I don't know. But for my own part, I am resolved to give and entrust the receipt of my interests to our cousin Willem Kops, partly because his credit here on the Exchange is first-rate: he lives very modestly and regularly, and people say he has a pretty Penny: finally, there is the blood-relationship.²

On this recommendation, Leeuw appointed as his new London agent Willem Kops, who had emigrated from Amsterdam and settled in London in 1722. Further investments in the Funds were accomplished through the new agent: Kops's accounts (or what is left of them) show that the additions to Leeuw's holding after 1740 were mainly in Old South Sea Annuities:³

¹ Arch. Brants 402: De Flines—Leeuw, 2 Feb. 1740.*

² *Ibid.*

³ Half-yearly Accounts, de Flines—Leeuw: Arch. Brants 402.

25 December 1740:

£5500 Bank shares.
£13,500 Old South Sea Annuities.
£10,000 New South Sea Annuities.

18 December 1741:

£5500 Bank shares.
£14,500 Old South Sea Annuities.
£10,000 New South Sea Annuities.

1 November 1745:

£6000 Bank shares.
£18,000 Old South Sea Annuities.
£10,000 New South Sea Annuities.

David Leeuw died on 15 November 1754, when his total holding of British stocks was

£8600 Bank shares.
£21,000 Old South Sea Annuities.
£10,000 New South Sea Annuities.

So over a period of twenty-five years David Leeuw had built up a holding of £39,600 in the British Funds, bringing him an annual dividend (after the commission fee of the London attorney had been deducted) of about £1200.¹ The evidence of the notarial procurations indicates that this was not an exceptional case: the details of Leeuw's negotiations happen to have survived, but there were hundreds of other merchants in Amsterdam, Haarlem, the Hague, Rotterdam and elsewhere, as well as thousands of civil servants, magistrates, widows and orphans and charitable institutions, for whom the British Funds provided convenient investment. Out of this arises the problem of the reasons for, and the real nature of, the investments and speculations of David Leeuw and his like—traders going into money. Were they driven into finance because the opportunities for profitable investment in business were dwindling? Or was this the investment of surplus profits which were not required to fertilise an already

¹ The 4% debt had been converted to 3% in 1749 but 3½% was paid until 1757.

over-capitalised commerce? Or was Leeuw's departure into finance merely a normal preparation for retirement and a comfortable old age, lacking any wider significance? On the answers to such questions will depend to a great extent our estimate of the real significance of the eighteenth-century changes in the economic organisation of Holland. The answer cannot be given on the evidence of one business, but the conclusions from this evidence would seem to be as follows: first, full allowance must be given to the inclination normal in a man who had already been in business 20–25 years (in 1727) to aim at easy profits. It is possible, in fact, that Leeuw had arrived at that time of life when, as Bacon remarked, "Men of age . . . Adventure too little, Repent too soone, and seldome drive Businesse home to the full Period, But content themselves with a Mediocrity of Successe".¹ The evidence from the other side is strong, however: it is clear that German competition was by 1720 making it difficult for Dutch linen importers to hold their ground in the west country trade, and by 1750 the Irish and Scottish linens were ousting foreign-made textiles from English markets. Direct trading everywhere was making conditions difficult for Leeuw and his like. The opportunities for expansion were certainly receding, as the "Propositie" showed. It is, therefore, not unjustifiable to assume that Leeuw's accounts are an earlier illustration of conditions described a few years later by a British Under-Secretary for War, who spoke of the Dutch withdrawing "large sums from their trade, that can never yield them a profit equal to that, that is to be made in our Funds".² Neutrality in the Seven Years War brought prosperity only to certain kinds of trade and to particular districts. Wholesalers' prices and profits fell, industry and shipping in general suffered and bankruptcies were common.³ At the same time the British Funds were offering high dividends on increasingly favourable terms, with adequate promise of capital security. The Funds were irresistible.

¹ Bacon, *Essays of Youth and Age*.

² See *infra*, p. 165.

³ de Jong-Keesing, *op. cit.* p. 215.

CHAPTER V

DUTCH INVESTMENTS AND THE ENGLISH NATIONAL DEBT

(i) *Holland and the Funds 1740-1762*

THE twenty years following the peaceful ministry of Walpole contrasted strongly with the calm period before them. The war with Spain was followed immediately by the war of the Austrian Succession, and the French army was in the Netherlands in 1745. Simultaneously, the Duke of Cumberland was in operation against the rebels of the north. After the Peace of Aix la Chapelle, a few years' peace intervened, but 1754 saw the Bourbon menace threatening once more, and war broke out again in 1756. The effect of this was to set the Government searching desperately for money, which in 1746 was practically unobtainable in England. Local national loans were sufficient to meet the demands of peace time, but this "turbulent disposition of the human species"¹ put too great a strain on the national lending capacity, and 3% Annuities, which had never before been below 89, sank to a record low level in 1745. It was therefore fortunate that the Government was able to draw on the resources of Dutch capital, for these years were years of trade depression and difficulty for Holland, which was now facing the complete change of trade structure in Europe, and more particularly the direct attack on the Dutch entrepôt function in the shape of bounties and protection granted to British industries. Many Dutch investors grasped eagerly at the opportunity of investing safely at from 3 to 6%. Speculators made huge profits by the fluctuations in Government stocks as crisis followed crisis. The National Debt became a certainty and a permanence, and an undoubted though perhaps arbitrary stimulus to British industry; and observers as

¹ Sir John Sinclair, *op. cit.* 1, 329.

different in outlook as Isaac de Pinto, Élie Luzac and Sir John Sinclair concurred in believing that the amount of public debt so greatly exceeded the consumption or demand in England that only foreign (i.e. Dutch) purchases kept the funds up to a tolerable price in these lean years.¹ It is therefore not surprising to find a considerable extension in the list of British securities available on the Amsterdam Bourse. This list had, in 1720, consisted of

Bank shares	Lottery Annuities
East Indian shares	Million Bank
South Sea shares	Lotteries for 1710, 1713 and
Bank Annuities	1714. ²

By 1747 it had lengthened considerably and a *Price Courant* of Cornelis van Tongelo for 6 November 1747 quoted prices for the following English stocks:³

English Bank shares	London Assurance
United East India Company shares	7 % Empire Loan
South Sea shares	5 % Empire Loan
Old Annuities	Exchequer Annuities 3 %
New Annuities	Exchequer Annuities 3½ %
Bank Annuities of 1746	New Bank Circulations
Bank Annuities of 1747	4 % India Bonds
3 % Bank Annuities for 1726–45	Lottery Tickets
Million Bank shares	99 Year Annuities from 1704 to 1708
Equivalent shares	Exchequer 3½ % (1741 and
Royal Assurance	1745)

After 1746 particularly, several of de Neufvilles' London correspondents—Mathew and Benjamin Harrison, Claude Bosanquet and John and Wolfert van Hemert among them—began to include stock quotations in their trade letters.⁴ They were members of a group of London correspondents who acted as attorneys for Dutch investors and speculators anxious to take advantage of the British Government's need of money.

¹ Sinclair, *op. cit.* I, 358–9.

² Arch. Brants 401: David Leeuw. Enclosed lists from Peter Crellius.

³ Printed by Dr van Dillen in his article "Effectenkoersen op de Amsterdamsche Beurs" (*Econ. Hist. Jaarboek*, vol. xvii, 1931).

⁴ Arch. Brants 373 *passim*.*

Settled in London by 1720, they were at that time chiefly concerned with active trade—importing linens from Holland and re-exporting British colonial goods. Their names do appear once or twice, however, in the lists of London attorneys for speculators in Holland.¹ From 1733 they were in correspondence with Jan Isaac de Neufville at Amsterdam and, from the first, part of their service was to send de Neufvilles quotations of Bank of England, Indian and South Sea Stocks, as well as South Sea Old and New and 3 % Annuities. Apart from occasional pieces of gossip about the Funds, and an occasional flutter of £5 in a lottery, the Dutch firm did not take any actual interest in the Funds before 1740, when van Hemerts's information began to be much fuller, and dealt with details of price movements and expectations on 'Change. Between 1740 and 1760, however, de Neufvilles acted as an unofficial information bureau in Amsterdam for Dutch investors and speculators in the British Funds, though their own interest (through van Hemerts, at any rate) never amounted to more than £20,000. Finance was still only a side-line; just as van Necks remained primarily interested in the tobacco trade in spite of their large financial interests,² so van Hemerts were still first and foremost importers of linen and exporters of tobacco and Indian textiles to Holland.³

By 1744 van Hemerts were making efforts to build up a clientèle among Dutch investors, by writing and offering their services as attorneys and brokers to all those Dutch investors whose names appeared in the lists of inscribed stock of the South Sea and East India Companies, and the Bank of England. They wrote to de Neufvilles:

Enclosed is a List of Correspondents in the Funds, as they stand in the Books of the Companies, to all of whom we have also written and offered to give them the same friendly correspondence

¹ Notary Philip de Marolles, Not. Arch. 7985. Appendix B, pp. 206–212.

² Add MS. 32706: 32901.

³ Van Hemerts's correspondence was in Dutch. In translating it, I have tried to keep as much of the eighteenth-century flavour as possible.

service as we have with you. There will certainly be many of your friends and acquaintances on the List.¹

De Neufvilles assisted by recommending van Hemerts to their friends, and the canvassing quickly produced a small crop of applications and procurations from investors in the Hague, Utrecht and Haarlem, as well as Amsterdam: a few of the letters indicate their progress:²

19 October, 1744.

Since our last letter of eight days ago, we have received the procurations of the following friends for Mynheeren Adrian Hoefnagel, Pieter Boon and Pieter van Kampen, and for Mevrouw Wyntye van Aken (widow of Abraham van Halmael).

from Meneer Amont Sortgens
Adrian Sortgens
Abraham van Aken
Gilles van der Hoop.

We are greatly obliged to you for these good recommendations and hope that we may open similar relations with all those friends who are not yet engaged, amongst whom are Mr Petrus van der Hogan at Utrecht who has £12,000 Bank Shares and £5000 South Sea Annuities and Mr Abraham Straalman who has £32,000 Bank Shares and about £10,000 South Sea Annuities as well as South Sea Shares, and because such correspondents are worth taking trouble over, we want to ask you (if we are not making a nuisance of ourselves) to try once again to make an Attack on them.

9 November, 1744.

Mynheer Petrus van der Hogan has sent us the Procurations for his Bank Shares and those of his South Sea Annuities, and Messrs van Neck and Miss Jacoba Elizabeth van Royen have sent us the Procurations of their South Sea Annuities. We are obliged to you in the highest degree for your recommendations. The Funds here are very firm so we must wait and see if the outlook will have any effect on Rescontre.

20 November, 1744.

Mynheer Jan de Neufville has sent us his Procuration for £500 Bank Shares from the property of John de Neufville to place to his name and account, of which we shall give advice in our next: and Mynheerin David and Daniel de Neufville have sent Procurations together with Messrs Jacob and Anthony Birens, and the latter

¹ Arch. Brants 374: 21 Sept. 1744.*

² *Ibid.* *

will get those of Anthony and Abraham Bierens in Amsterdam. The Funds are extremely firm against all reason, but we cannot hear why this should be.

23 November, 1744.

Mr Abraham Douglas¹ has written us to say that he will have the Procurations for his shares sent to us for which recommendation we are greatly obliged to you.

Van Hemerts's clientèle was, on the whole, a fairly solid one, composed of those members of their family who still lived in Holland, business acquaintances, members of the patrician families, magistrates and their wives, spinsters, widows, and orphans; and the special official letters printed in Dutch in 1746 and 1749 show that both the Government and the leading financial houses in London made special provisions for foreigners who held British stocks, though the stake of foreigners in the public debt was one of the principal reasons for the many proposals to pay off that standing scandal. Whether they liked it or not, the Government could not ignore a useful source of money.

Securities were paid for in bills, which passed as part of the ordinary business account. In this way payments for dividends (which took place every half-year) or for purchases or sales of stock went on to the normal contra account, and dividends were often reinvested.² Business in the Funds did not consist only of purchases by van Hemerts for Amsterdam: Neufvilles themselves bought South Sea Stock for van Hemerts on the Amsterdam Bourse, and 4% Annuities for Claude Bosanquet³ when there was a profitable difference between the Exchanges. Since postal services were slow and quotations and rates of exchange moved quickly, it was often necessary for attorneys to buy stock in their own names until the procurations for purchase could be sent from Amsterdam; on 13 February 1750, van Hemerts wrote to Neufvilles to say that since South Sea shares remained at 109, they were taking the liberty of

¹ Of the Hague.

² Arch. Brants 374: van Hemert—de Neufville, 11 Oct. 1748;* de Pinto, *Traité*.

³ Arch. Brants 373: E. S. and C. Bosanquet, 20 Feb. 1750.

buying the £4000 proposed purchase in their own name.¹ In March of the same year we find another purchase "for Messrs Jan Isaac and Daniel de Neufville" standing in van Hemerts's name.²

Thus a routine was quickly worked out, and special printed accounts and receipts were sent for dividends on stocks. A few accounts for the personal investments of Jan Isaac de Neufville, which in 1745 amounted to £12,000, indicate the methods of transfer:

London. 15 February, 1745.

Here enclosed is an Account of 6 months Dividends on £500 New South Sea Annuities, £1000 South Sea Shares, and £500 East India Shares, the whole amounting (after deducting our Commission) to £47./0/6d. for which your account is credited.

Heer J. Isaac de Neufville at Amsterdam. Credit for 6 months dividends received.

£500 New South Sea Ann. at 2 %	£10.
£1000 South Sea Shares	„ 1 $\frac{3}{4}$ %£17. 10.
£500 E.I. Shares	„ 4 %£20.
		<hr/>
		£47. 10.
Commission	9. 6
		<hr/>
		£47. 0. 6

London. 9 April, 1745.

This serves to send you the Account for 6 months Dividend for £9000 Bank Shares and £1000 Old South Sea Annuities, totalling altogether (after deducting our commission) £264. 16. 6. for which your Account has been credited, and again debited for £305.

Heer Jan Isaac de Neufville. Credit for 6 months dividends.

£9000 Bank Shares at 2 $\frac{3}{4}$ %	£247. 10.
£1000 Old South Sea Annuities at 2 %	£ 20.
	<hr/>
	£267. 10.
Commission	2. 13. 6
	<hr/>
	£264. 16. 6.

¹ Arch. Brants 374: van Hemert.*

² Arch. Brants 374: 13 March 1750.*

The following half-yearly accounts show clearly how dividends were used to pay for new investments:

11 October, 1745.

This evening we received your favour of the 19th of this month, with a remittance for £150 on Ciprian Rondeau which we shall send for acceptance to-morrow and draw according to your order and discount at the same time—though the fact that the Bank is not discounting beyond this month is making money very scarce. Enclosed we send the Account for 6 months Dividend for £9000 Bank Shares, £1000 old South Sea Annuities, coming together (after deducting our commission) to £264. 16. 6, for which your Account has been credited, and this sum will be put towards paying for £500 Bank Shares—the rest of the costs we shall draw on sight.

15 October, 1745.

Our last letter to you went by the previous post and we have since received no communication from you. The bill of Ciprian Rondeau was accepted and we shall let it run. To-day we have drawn on you for £250 two days after sight, to pay to Antonio de Pinto, the value of Messrs J and J Salvador¹ at 35 shillings 5 groats exchange, and we have credited your account for this: further we enclose the bill and certificate for £500 Bank Shares which we accepted to-day on your name and account, amounting to £699. 14. and we have debited your Account for it: the Funds are again uneasy, but there is not much doing; according to all opinion, it won't last long. By the next loan you will be able to invest your money, according to all expectations, at 4% at least.

From 1740 to 1744, van Hemerts kept Neufvilles informed of the early stirrings of war finance. In May prices were reported to be "still scandalously low", the outlook had been worsened by the death of the Emperor and the Czarina, and a further general fall of business was expected.² In December 1741 the scene brightened temporarily with talk of the Bank's new Charter to prolong its monopoly, and rumours of a peace with Spain.³ But by August 1742 opinion in London was that "the conflagration would not be easily extinguished"; van Hemerts wrote of the arrival of the Ambassador from the Hague, Lord Stairs. The Funds were expected to fall, for

¹ See *infra*, pp. 162–165.

² Arch. Brants 374: 20 May 1740. Van Hemert.*

³ Arch. Brants 374: 4 Dec. 1741.*

though they were war loans, the immediate result of war news was always to precipitate a fall of prices.¹ In February 1743 came news of a loan for a million pounds in Annuities. This may be taken to mark the beginning of a new period of financial activity.² It was in this extension of the public debt by issues of Annuities from 1743 to 1763 that Dutch capitalists mainly participated. As de Pinto observed, the frequent panic fluctuations had the effect of stimulating "l'esprit de jeu" on the Bourse at Amsterdam. The ordinary range of Indian, South Sea and Bank securities did not offer enough scope for speculation, and gamblers and investors alike threw themselves into "le vaste Océan des Annuités", where they were less cramped by routine on *rescontre*.³ Indian Funds were obscured till 1766, when they made a spectacular revival, as de Pinto had predicted they would three years previously.⁴

As the field of war widened, expenses increased and newer and bigger loans appeared on a market which was rapidly becoming exhausted. Just as the Bank had been tapped in 1742, so the East India Company was tapped in 1744, and its monopoly extended for fourteen years in return for an advance of a million pounds at 3%.⁵ The price of Government securities was falling, and investors had to be conciliated by *douceurs* in the shape of lottery tickets and life annuities.⁶ These temptations were communicated by van Hemerts for the benefit of Dutch investors:

London. 15 January, 1745.

This serves to inform you that the Government will raise £3 Million Pounds Sterling as follows: a Lottery of £500,000 Lots, of which Prizes and Blanks are in the 3 % Annuities.

At £10 per Lot	£ 500,000
On the Salt (to be paid off in 6 years)	£1000,000
On Annuities	£1500,000
	<hr/>
	£3,000,000

¹ Arch. Brants 374: 31 Aug. 1742.*

² Arch. Brants 374: 8 Feb. 1743.*

³ de Pinto, *Jeu d'Actions en Hollande* (1763), pp. 310-11.

⁴ *Ibid.* p. 311.

⁵ Sinclair, *op. cit.* I, 458.

⁶ Arch. Brants 374: 15 Jan. 1745.* Also Sinclair, *op. cit.* I, 457-8.

So if you subscribe £6000, it is so disposed to give you—

100 Lots at £10	£1000
£200 on the Salt at $3\frac{1}{2}\%$	£2000
£300 in 3 % Annuities	£3000
	<hr/>
	£6000

And for this subscription, you have £45 per Annum Life Annuity for whatever Life you like. This subscription is already full, and in reliable quarters it is believed that it will be possible to buy the salt at 3 % discount, the 3 % Annuities with 13 % discount and the Life Annuities for 15 years, that is for £675. We request your Answer as soon as possible if you desire to speculate at all on one or the other.¹

The new loan brought in a crowd of new investors from Holland, and among van Hemerts's clients was Neufville's sister, Mistress Catherina de Neufville.² In Britain, however, political and financial conditions went from bad to worse with the outbreak of the Jacobite Rebellion; the Young Pretender landed in Scotland in August, and in the same month van Hemerts wrote: "The Troubles in Scotland depress the Funds daily".³ In spite of the troubles, the Dutch continued to invest, probably finding the fallen market an excellent opportunity for permanent allocation of capital. Funds continued to fall, though van Hemerts thought that the arrival of Dutch and English troops meant that the affair would be quickly settled.⁴ Progress was slow, however, and on 27 September they wrote to Neufvilles:

Since our last letter of the previous post we have had a considerable fall in the Funds here, occasioned principally by the Troubles in Scotland, because the Rebels have advanced to Edinburgh, while our Troops as well as the Dutch, have already arrived, and marched there with the necessary ammunition: also, since some of the foremost Nobility have gone over to do duty in the King's service, for the good of their Country, there is little doubt that the business will be brought to an end within a few

¹ Arch. Brants 374: van Hemert.*

² Arch. Brants 374: 22 March 1745.*

³ Arch. Brants 374: 20 Aug. 1745.*

⁴ Arch. Brants 374: 24 Sept. 1745.*

days, and then the Funds will be bound to take favour. Meanwhile, we have bought for your account £500 Bank Shares at 142% which we shall take on your name when the Books are opened, and send the Account and Certificate for these. To-day there was no money to be found on the Bourse, so that protests mounted up a great deal and any bargains which were concluded were done on the condition that Bills of Exchange were taken in payment, because the Bank will no longer discount any bills which run beyond October, thereby creating a situation which makes it very favourable, in our opinion, for you to remit from your place.

In Scotland the sluggish movements of the Duke of Cumberland were slow in achieving results against the dashing Highlanders. In November van Hemerts wrote:

London. 6 November, 1745.

News has been received here that the Duke of Cumberland with his army had come upon the Rebels on the coast but was deflected: if only they can be brought to a stand in order to give them battle, then it is hoped that with God's Blessing, matters will be brought swiftly to a close. The East India Company has decided not to pay a Dividend before the 27th of February.¹

January 1746 saw British Government finance in a state which was probably worse than had existed since the end of the seventeenth century. At Fontenoy, in 1745, the defection of the Dutch troops had caused the retreat of Cumberland, who in July was recalled to Scotland, and there operations against the rebels were dragging on. Confidence had practically disappeared, the Government could not obtain money, and it seemed as if the extravagant subsidies which England had advanced to her Continental allies had brought her to the point of bankruptcy.² A general reduction of interest was looked for. In spite of this, however, fresh loans were mooted for further Continental adventures, and van Hemerts wrote to Holland on 14 January 1746:

London. 14 January 1746.

In these days, the King has been in Parliament and made a Speech which we send enclosed, from which you will see clearly that next Summer, England, Holland and their Allies will send

¹ Arch. Brants 374: van Hemert—de Neufville.*

² Sinclair, *op. cit.* I, 456 (note).

a considerable Army into Flanders, to take France down a peg or two, to which we hope God will give His Blessing. This business cannot be done without money, which will be raised by the coming Loan, according to all accounts, though on a somewhat different basis from last year's, since the money won't be found so easily, and only at higher interest, so no one is certain yet how it will be decided, but it will be made public shortly. To-morrow the Bank has a General Meeting of the interested parties but no one knows the real reasons and there are various opinions about it. Some say that the Bank proposes to take a Million Pounds Sterling from the Land Tax, because this is what must still be made up: others say that the £800,000 Bank Shares which the Bank itself possesses will be presented to the interested parties at 116% or 118%. One thing anyway is to our ideas indisputable—that the interest must be reduced, and the general feeling of people with the best guidance in public affairs, is that the Bank cannot continue the dividend, but in this matter we cannot give you any definite assurance. Last Saturday the writer was assured (by a man well up in the Funds) that all Funds were bound to fall, that the Bank would lower its interest, and that South Sea Shares will shortly pay 4%: one can't take it all for gospel because by well-founded experience, men speak according to their interests. He told me further that if you sold your South Sea Annuities at 97 or 96, you will make about 10% more on shares in the new loan. This business should occasion no further expense if it is settled in the same way as the Annuities with a Life Annuity Lottery or something of that nature. Now the affair depends entirely on your own wishes, because so long as nothing of this nature is decided, one can be certain of nothing. The Exchange rate has risen a shilling in 2 post days: one can say nothing but that everyone must act according to his convictions, and in this connection the likelihood is that the East India Funds will hold the Exchange high, the East India Bonds will certainly rise to 4%, and the dividend is bound to be reduced.¹

As van Hemerts hinted, plans were afoot to meet the emergency expenditure by borrowing a million from the Bank. Further mails in January to Holland spoke of the possible ways in which this million might be raised. Several Bank meetings were reported, but since news from Scotland remained uncertain, no definite news could be given.² On 31 January, however, Dutch correspondents received printed

¹ Arch. Brants 374.*

² Arch. Brants 374: 17 and 24 Jan. 1746.*

circulars¹ giving them details of the new scheme by which the Government had contracted with the Bank, who engaged to advance one million at 4% on the land and malt duties.² It was proposed to raise this money by augmenting the capital of the shares by 10% in proportion to each holding. Meanwhile, a new loan for three millions in annuities and a lottery was spoken of. The new arrangement by the Bank put a great strain on the resources of the London attorneys, because the payment of the extra 10 % for their Dutch correspondents before March might have to be met out of their own resources. Money was scarce at the time, and van Hemerts asked Neufvilles to remit to them on sight if they wished to keep their shares:

Here enclosed is the Resolution,³ which the Bank has made, so if you are inclined to keep the 10 % Shares, then we shall still require £640 besides the forthcoming Dividend: so please be good enough to remit it to us on sight, because there is no money to be had on this occasion, and for some considerable time money has been extremely scarce. Much is spoken here of the New Loan but nothing has been decided: as soon as it is, we will let you know. Three posts from your side are now missing here: it is a shameful business. The Rate of Exchange still runs high, and since there is no money here, it must also run high with you. Since the Resolution has been taken by the Bank in this manner, and all Correspondents who own Bank Shares must be advised, the foremost Houses here have decided to print the letters, so that everybody will get the advice. If any news crops up on your side, we should be very grateful if you would be good enough to communicate it to us.

P.S. In our opinion, anyone who doesn't want to take the new Bank Shares will do well to sell—the sooner the better, because great amounts are already being sold. Concerning the New Loan it will be done according to all accounts in a similar manner to last year's—to wit, partly by a Lottery and partly by 4 % Annuities. The Lottery for £500,000, the Annuities for £2,500,000 and a *douceur* of £6,000, a present of Life Annuities, reckoned at 10 years. The Annuities must come out at about 85 %—but that is only our opinion—it is still uncertain.⁴

¹ See Plate V (Arch. Brants 374.)*

² Arch. Brants 374. Also Sinclair, *op. cit.* 1, 456 (note).*

³ See Plate V.

⁴ Arch. Brants 374: 31 Jan. 1746.*

London, 31 January 1746.

Bank van Amsterdam
Minster

Dewyl men in een Generale Vergadering der Bank geresolveert heeft, om aan het Gouvernement Een Millioen ponden Sterlings tegens 4 per Cent. in het Jaar te avanceeren, so hebben de Interessanten der selven geresolveert om het Capitaal der Actien met 10 per Cent. te Augmentseeren in proportie van een yder zyn aendeel, mitz deselvs betalende tot Part, tweten

5 per Cent. voor den 28 February, O. S. } aenstaande
5 per Cent. voor den 28 Maart, O. S.

in welken laasten in betaling zy zullen laten valideren de uytdeeling den 25 Maart vervallende, voor deesen Inbetaaling zullen receptissen gegeven worden (die ten tyden in Actien zullen geconverteert werden) op dat die geenen zoo niet geneegen zyn deesen Inbetalingen selfs te laten doen, die tot desselvs benefitis kan laten verkopen, in welk geval Uw Ed. *Ons* daar toe gelieft te qualificeeren, met de Inleggende volmagt in presentie van twee getuygen te tekenen en *Aan Ons* te rug te senden.

Na den 22 February zal men geen Transporten permitteeren, of uytdeelingen op Actien betalen, voor deesen Inbetaalingen geschied zyn, dit nieuwe Capitaal zal met de oude Actien vereenight worden, en van den 25 Maart Aenstaande deselvs uytdeelingen genieten als de oude Actien.

De Zuyd Zee Compagny heeft geresolveert om voortaan 4 per Cent. int Jaar op hun Actien wyt te deelen. *Wilt uwen mit alle. N. Hemerts*

Wissel per Amst.

0 2 1/2

37 6 1/2

op figt

37 3 1/2

Bank Actien

122 1/2

India

158 1/2

Zuyd Zee

96 1/4

Ditto Oude Act.

94 1/4

Ditto Nieuwe

74 1/4

3 per Cent. Act.

74 1/4

per Cent.

Dito Nieuw 119 1/2

Notice circulated to Dutch investors by van Hemerts giving details of resolutions of the Bank and South Sea Company (Archief Brants, 374).

Rumours continued to circulate about the dividend to be declared by the Bank, the general opinion being that it would be 5%, and van Hemerts sent to Holland a tentative draft of the conditions of the new loan for three millions. But in the first week in February the outlook was still uncertain, and they wrote that the East India Company could not send out its ships for lack of bullion, so that they were buying silver on time, and having to give 11% more for it than if it were sold for cash.¹ On 7 February came news that in Scotland the rebels were in flight, "thoroughly scared" by the approach of the Duke of Cumberland, and the end seemed in sight.² By this time Neufvilles had decided not to take part in the new Bank arrangements, and sent van Hemerts their signed procuration to sell 10% of their £9500 Bank shares at whatever price they could get. Van Hemerts commented:

...we see clearly from your letters that the extravagant Exchange has put you off keeping them, and indeed, not without reason, so we have accordingly—just as we would have done for ourselves—sold £9500 at 114 $\frac{7}{8}$ %. The price has already fallen to 114 $\frac{1}{4}$ % and we expect it will be still lower when these are supplied.³

The political news began to be more cheerful: from Scotland came news of a determined drive by Cumberland which had scattered the rebels: the Exchange showed a tendency to fall, encouraging Dutch investors to buy, and the new annuities were becoming popular.⁴ Early in March the terms of the loan were finally fixed and van Hemerts wrote that they had already bought several lots for the Dutch side. One Dutch investor, "Heer R.", had taken £24,000.⁵ Finally, on 25 April van Hemerts were able to send a copy of the *Gazette* published the previous evening, with an account of the Duke of Cumberland's victory, which, they said, had given rise to "extraordinary rejoicings" and had caused the Funds to rise not a little.⁶ With this encouragement, the money market

¹ Arch. Brants 374: 4 Feb. 1746.*

³ 18 Feb. 1746.*

⁵ Arch. Brants 374: 4-11 March 1746.*

⁶ 25 April 1746.*

² 7 Feb. 1746.*

⁴ *Ibid.*

became easier; the Exchange fell and money became *more* plentiful. Van Hemerts wrote with some relief:

A great fall in the Exchange has again been witnessed *here* to-day, which we believe will be followed by a further fall, because the public money is now beginning to come out: but a lot of people are going into the Funds for a hobby—particularly into East Indian—although we, so far, cannot see any reason why they should be so high.¹

In November 1746 came rumours of another loan, this time for five millions, in annuities and a lottery,² which materialised on 19 November, when the rush to invest was so great that on one day in London six millions, instead of the required four, were invested.³ The improvement was only temporary, however, and political disappointments and financial exhaustion hastened the peace of 1748. For several months Dutch activity in the money market had slackened off, and interest had been confined to small transactions in Bank annuities.⁴

The peace had been a peace of exhaustion: the national debt had risen to eighty million during the war. With peace came renewed confidence, particularly as Pelham (who has been described as “a sort of lesser Walpole”)⁵ was now at the Treasury. It was his aim to reduce the army and navy, stop the foreign subsidy system (which was the wonder of Europe), to pay off the unfunded debt, replenish the Sinking Fund, and generally mollify the commercial interest.

The first definite signs of the new policy are seen from a letter of van Hemerts on 23 March 1749, which described the schemes for paying off certain classes of annuities by March–November 1751. There was some activity amongst Dutch investors as a result, and they wrote:

Heer Jacob Bierens has sent us his Procurations to transfer some Bank and South Sea Shares to Heer Daniel Bierens and wrote us a very apologetic letter to the effect the Young Gentleman

¹ 20 June 1746.*

³ 19 Nov. 1746.*

⁵ *Cambridge Modern History*, vi, 74.

² 2 Nov. 1746.*

⁴ 8–19 Jan. 1748.*

was very sorry that he could not send us another Procuration for his South Sea Shares, Heer Kops (who as we now hear is bedfast, and has not been about for several days) having received all his other Procurations. Meanwhile, we are grateful to the Young Mr Bierens for his thoughtfulness towards us, and know very well that for the sake of preserving peace and unity, one often cannot do everything that one wishes and also have no doubt that we shall have further proof of his affection and friendship.

We beg you to let us know what we are to do concerning the Annuities of your sister Mistress Catherina de Neufville, also about Heer Leonard Meyndeerts.¹

The Funds continued to rise, though not in any startling fashion. In November, however, it seemed that a reduction of interest was certain, and van Hemerts thought that if this could be carried through, the Funds would take favour, and, they said, "we shouldn't even be surprised if in the next 2 or 3 years, they are higher than they have ever been in peace time".² The Act for reducing the interest was accordingly passed, but not without difficulties and uncertainties. Men in the City were asking where the money was coming from to pay off the debt if a great part of it remained unsubscribed. Van Hemerts advised their correspondents not to sell, but to wait and see what action the Bank and East India Companies took.³ Meanwhile they themselves were buying South Sea shares on Amsterdam; their Dutch clients were tending to sell Bank shares and buy East India shares.⁴ By February 1750, the opposition to the reduction had been overcome, and the conversion went forward, but not, as the letters show, without a good deal of inconvenience to the attorneys for Dutch investors. Special notices had been sent to Holland⁵ and special terms were granted to foreign holders, but many Dutch investors were uncertain whether to convert or not. Dutch correspondents in London had to bear the brunt of their indecision, and since it was not then decided whether foreign holders should be given special respite, there was a

¹ Arch. Brants 374: 23 March 1749.*

² Arch. Brants 374: 15 Nov. 1749.*

³ Arch. Brants 374: 22 Nov. 1749.*

⁴ 5 Jan. 1750.*

⁵ See Plate VII.

danger that they might incur heavy financial responsibility. Van Hemerts were obviously bitter about the conduct of their correspondents in February 1750:

The generally strong opposition which at first existed here against the Plan for Reduction has changed during the last 8 days into general consent, so that a good sum is already subscribed here. And since there is no further doubt about the success of the scheme, General Meetings will be held—Next Monday at South Sea House, and Tuesday at the Bank. It is said that the South Sea Company will not consent to it, but the Bank will. If now a respite is granted after Feb. 20 for foreigners, we shall inform you first, so that you can register yourself later on. In this affair, you see a Choice Example of the Inconstancy and Changeableness, which costs the Dutch correspondents here so much trouble, brain-racking, and Time, without any Profit and the possibility, into the bargain, that it will be the cause of much unpleasantness particularly in the case of those [correspondents] who have the interest of their Friends at heart.

P.S. This evening at 8 o'clock, about £15 Millions had been subscribed.¹

But 20 February passed, and still no special terms were granted, and apparently believing that their attorneys had been either careless or dishonest, many of van Hemerts clients were being troublesome: the reduction had not been popular at first in England: clearly it was less so in Holland, and resentment took the form of blaming the attorneys. Neufvilles behaved better and acted as go-between in the dispute between van Hemerts and their correspondents in Holland. The latter wrote on 9 March:

So far, no definite decision has been reached over the question whether those who have not registered by the 20th February are to be given a further respite. We are much obliged to you for the news concerning Heer Sortgens and his family: this Friend has written us positively that he will not partake in the Reduction, and therefore we dare not subscribe for what stands in our name, all the more because we have already received similar letters from other friends, that if we had subscribed for them, nothing but extreme displeasure would result therefrom. You can see from this, that it is a vexatious business for us, and it will be the cause

¹ Arch. Brants 374: 23 Feb. 1750.*

of more trouble if these people hear that the Unsubscribed Annuities are 1 % less in Price than the Subscribed. We were grateful to see that you were going to speak again in our favour with H^r. Daniel Bierens—something we shall always remember with gratitude.¹

Business went on in securities which owners had decided to sell, but amongst investors who were still waiting for the Government to grant a respite for conversion, rumours began to circulate that the London attorneys were trying to make a profit out of the delay. This was indignantly denied by van Hemerts on 13–24 March:

We find ourselves honoured by your esteemed letter of 17 March, containing the signed permits and further orders to subscribe for the Annuities mentioned therein, which we shall procure for you as soon as it is decided in Parliament if a further respite will be granted to foreigners or not, which it is thought will take place next Monday. But there are some doubts whether it will be allowed. We are therefore sorry that Heer Antony van Maurick has sold his Annuities on condition that they shall be subscribed, as many others have also done, and fear that in case the Subscription is not allowed, such things will be the occasion of a Great Confusion on the Rescontres of May. The £350 Bank Annuities for the Heeren Jan Isaac and Daniel de Neufville stand in our name with other Sums so that the business is now put to rights.

We express our sincere gratitude to you for the part which you were good enough to undertake in our interest in the matter of Heer Daniel Bierens, and shall at all times reciprocate it in deed. Now we are all three qualified to have a voice in the forthcoming election of the East India Company's Directors, in order to strengthen the Party of our Friends, and thereby to secure for you the Velvet Commission; for there will be a considerable opposition because they want to get rid of all the Old Directors, and to bring into their place a Party of Youngsters. All our letters testify to the discontent of our Friends that the work of the Reduction has suffered a reverse, and several People clearly talk as if we were in a position to prevent it: but to our great amazement, we have received letters from other people, which indicate that there has been a rumour on your side that all the correspondents here have acted as Traitors and up to the last minute

¹ Arch. Brants 374: 9 March 1750.*

urged their Friends so strongly to join in the subscription, in order to make money: this is truly a hard blow for so many honourable correspondents (in which class we presume to place ourselves) who have expended so much unrewarded trouble and have the interests of their Friends at heart. Even if there was one English and one Dutch Comptoir which might be suspect on better grounds, it is very hard, seeing the furious rush which has been made for the Reduction from the beginning until now, that other honourable men should have the same aspersions cast on them. We are taking the liberty of notifying you of this because, for all we know, you may be able to forestall the trouble, and we beg you in secret, to make use of it, if it should come to pass, for in such cases an innocent person can often lose his best friends.¹

A day or two later, it was decided that foreigners who had not subscribed by 28 February were to be allowed an extension, but instead of drawing $3\frac{1}{2}\%$ for an intermediate period of 7 years (as the original conversion scheme had proposed)² they were only allowed this rate for 5 years, and thenceforward 3 %. The attorneys were inclined to think this remedy would be far from welcome in Holland, and many Dutch investors were transferring their capital from Annuities to Bank shares, which were more remunerative. Van Hemerts wrote on 16 March:

We rejoice that there are still such trusty Friends as you to be found on your side, with understanding and judgement to appreciate the trouble and vexation which we have had to undergo for the last three months in the business of this Blessed Reduction; and next week it will begin all over again, for we hear that those people who had not registered on February 28 will still get an extension, but on condition that they draw $3\frac{1}{2}\%$ for five years only, instead of seven years—a proposal which will make many Dutchmen so furious that they will stay out altogether, and will cause fresh confusion for such as have sold their Annuities on the May rescontres, as we see you have done too, and asked our advice if it was not better to invest the money in South Sea Shares. This Fund, of which we and many others had such high expectations, has during this last week fallen in Price, because it was told us that Sir J. B.³ had pretended that he wanted the South Sea

¹ Arch. Brants 374: 13 March 1750.*

² See Plate VII.

³ Probably Sir Justus Beck, a prominent attorney. See Not. Arch. 7986 (P. de Marolles), 9 April 1720; Appendix B, p. 207).

LONDON, 1 December 1749

Van der Meer & Nieuwpoort

Hemert

Wij kunnen niet afgeen Uw Ed. hier intide te melden dat het Parlement
gegronden heeft om alle de Annuïteten, die tot 4 per Cent. 's Jaars
loopen, te Reduceren, en alle geïnteresseerden die door in bezittingen zullen
de Inrijft op dezeven geïnteresseerden als volgt:

Van 25 December Ann. 1749 tot 25 December Ann. 1750, 4 per Cent. 's Jaars.
Van 25 December Ann. 1750 tot 25 December Ann. 1751, 3½ per Cent. 's Jaars.
En vervolgens 3 per Cent. 's Jaars, mitsende de houders daarvan Annuïteten
voor den 28 February aansijnde hunnen Toestemming, of in Perzoon, of door
de houders hunner Procuratien geven, en na de overregevalden Tol zal het Par-
lement, na alle gedagten, op middelen denken om de Zulkten ofte betalen die
daarin niet Zulkten bezittingen; doch de voorstelling word hier van een Jeder
200 Reldijk aangemerkt, dat men niet Twesfeld of de meeste geïnteresseerden
Zullen daar mede vergenoegd Zyn.

De Gelykheid in Zwaer Zee Compagnien, misgaders de Bank (die mede in
als 4 per Cent. Annuïteten Geïnteresseerd Zyn) Zullen overgevoerd ook daarin
voelen. Hier op zal het nodig Zyn dat alle Geïnteresseerden hun duewen in
lyds geven, waar menigwij met alle zichtig Zyn

Van der Meer

Uw Ed. Dingswillinge Dienaars
Van der Meer & Nieuwpoort

Bank Actien	1747
Oostindische Actien	1748
Zijner Zwaer Actien	1749
Dito Annuïteten	1750
Dito Nieuwe Annuïteten	1751
Bank Annuïteten	1752
Dito	1753
Dito	1754
3 per Cent. Annuïteten	1755

Van der Meer & Nieuwpoort

Hemert

Amsterdam

Notice of reduction of Interest circulated to Dutch investors by van Hemerts of London.

Company to be paid off. So that what with one thing and another, things at present are very obscure, and it is difficult to know what to advise you, but we must tell you that it is known to us that many people from your side have sold their Annuities and bought Bank Shares instead, principally because no reduced dividend is anticipated in that Fund, because it is known that the Bank has made great profits these three and four years and saved much money.¹

For some days the exact conditions of the extension remained vague, in spite of Parliamentary discussions. Van Hemerts had their letters ready to despatch to Holland, but they were held up until the news was more definite: the following week, it was confirmed that foreign holders would have to accept the less favourable conditions:

London. 20 March 1750.

This serves to inform you that the doubtful Reduction Books are laid aside and a Second Proposal has been made to those who did not register before February 28, namely that these will still be given time until May 30, to register, on condition that instead of 7 years, they now only get $3\frac{1}{2}\%$ for 5 years, and afterwards 3% per annum.

This affair was yesterday brought into Parliament and the above is pretty well decided, but was to be dealt with further to-day, and people have been talking as if it might still be allowed to subscribe for 7 years at $3\frac{1}{2}\%$ with a reduction of 1% on the subscribed amount, which would then work out at 5 years. All our letters lie ready, but since we don't yet know if the permits which have been sent will serve, or if others must be sent, together with other particulars concerning this, we have held them up, partly to save unnecessary work, and partly because we don't wish to put our Friends to unnecessary postage charges, since they will grumble enough as it is. Meanwhile, we are highly indebted to you for mentioning the news to one and another person, particularly to Heer Jacob de Neufville van Lennep, whose Answer about this affair we are awaiting here, as also that of this gentleman's brother at Haarlem.

As it is also reported that before the 25th of this month, notes will be given out to those who have not registered on May 30, that they will be paid out within Twelve Months. We hope by the next post, or in a week's time, to be able to inform your Friends •definitely of everything that has been decided.²

¹ Arch. Brants 374: 16 March 1750.*

² Arch. Brants 374: 20 March 1750.*

The British Funds were too good a proposition for resentment to last long: moreover, Pelham's administration was gradually restoring confidence and credit, while in Holland, trade was so stagnant¹ that safe investments, even abroad, were welcome. A steady flow of investment began once more, and Neufvilles themselves came into the reduction scheme, for which procurations were despatched on 11 May:

Enclosed are two Procurations to enable us to sell in your name £1000 Old South Sea Annuities at 102 $\frac{5}{8}$ % and £500 New South Sea Annuities at 103% (both unsubscribed) which we have exchanged, according to your order, for subscribed Annuities with 1 $\frac{3}{8}$ % on the difference and have supplied these for your name; we send you the account enclosed, amounting to £1513/2/6 for which we have credited your Account. This exchange was only done with great difficulty; in addition, the Brokers wanted Double Commission for it, but we thought otherwise.

Your Drafts for £1000 in 3 letters will be honoured and are already accepted. Likewise we shall comply with the other £600 and charge it to the payment of your Account.

There are general rumours that East India Shares must fall because of the heavy Costs and Damages which the Company has sustained in the war. We are sorry that you have not bought any South Sea Shares in place of Bonds, because people here think that this Fund will take favour.²

In June the Subscription Books were at last closed, and just over three millions in Old and New South Sea and Bank Annuities remained unsubscribed. The outlook was good, however, and the conversion was regarded as successful. Meanwhile, South Sea shares stood well at Amsterdam, so van Hemerts ordered Neufvilles to sell £5000 South Sea shares for them.³ These were duly sold on the August rescontre. All round, the Funds were rising, in spite of the decision to reduce interest on South Sea securities as well.⁴ In 1751, Dutch investors were again buying East Indian and Bank Securities and van Hemerts observed:

¹ See pp. 18-27.

² Arch. Brants 374: 11 May 1750.*

³ Arch. Brants 374: 1 June 1750.*

⁴ Arch. Brants 374: 14 Aug., 12 Oct., 26 Oct. 1750;* 15 Feb. 1751.*

The Reduction has certainly been very advantageous for the Dutch Commissionaires here, but now that Holland is beginning to negotiate again at $2\frac{1}{2}\%$ there is no difficulty about money remaining here, because it looks as if quite a lot of buying is being done for Dutch friends here in the Funds, and on last Rescontre, East India and Bank were bought in large quantities.¹

In 1754 the money market was still in a healthier condition than it had been for some years: the South Sea Company was brought out of debt, and its shares took favour with Dutch investors.² In 1755, however, the threat of war once again caused the Funds to fall. At the Treasury, Pelham had been succeeded by Newcastle. It was known that England was completely unprepared for war, while France had vigorous and audacious schemes planned in every detail. On 21 January 1755 van Hemerts wrote gloomily of the effects of war rumours in the City:

Since last Saturday, there has been a great alteration in the Funds here, caused through the equipping of several warships, and summoning of two regiments from Ireland, so that it seems that France is not trusted. Whether anything will come of it, time will show, but it seems that the troubles in America and the Indies must be the forerunners of war.³

This was followed by other more reliable news in July:

There has been a great revolution in the Funds here, following the rumour (or rather news) that three of our warships have been in action against three French warships of 70 guns and have taken two of the ships: the third was also captured but got away through the mist: it is said that these three ships had £100,000 in cash on board, to pay the French troops in America; the details are not yet known, but it must be considered a forerunner of war.⁴

The year closed gloomily, with the East India Company's decision to reduce their dividend from 8 to 6 % (taken largely because of the expectations of war).⁵ In Amsterdam, large numbers of Dutch holders of East India Stock sold out, and

¹ Arch. Brants 374: 15 March 1751.*

² Arch. Brants 374: 15 Jan. 1754.*

³ Arch. Brants 374: 21 Jan. 1755.*

⁴ Arch. Brants 374: 15 July 1755.*

⁵ Arch. Brants 374: 28 Nov. 1755.*

the volume of selling was so unprecedented that, instead of buyers giving prolongations, they took prolongations from sellers to defer sale until the following *rescontre*. The word "backwardation" was invented to describe this process.¹ For two years buyers were making great profits in speculating on this wobbling market. It was one of the few occasions when French credit stood higher than British in Europe: financially as well as militarily, England's most successful war had beginnings as disastrous as could be imagined.

(ii) *The Government and Foreign Money 1759-1763*

The financial operations of David Leeuw on the one side and of van Hemerts on the other give some indication of how the machinery of international finance worked in the eighteenth century. Through a group of financial houses which were of Dutch origin and which retained their business, social and family connections in Holland, the British Government was enabled to draw on the resources of Dutch capital to supplement her own sorely-trying credit. This investment was for the most part carried on in parallel with the ordinary processes of trade between England and Holland, out of which it had developed, and was in all probability stimulated by the recurring trade depressions in Holland itself. The Government made use of the Dutch financiers of London in several ways. They were used for foreign errands of a financial or even semi-diplomatic character. Decker writes to the Duke of Newcastle and Mr Pelham before setting out for Holland "...to ask your Grace, if I can be of any Service to you, while I shall be in the old Fatherland, if so begg you'll please to honour me with your Commands".² Sir Joshua van Neck, who monopolised the tobacco trade with France, was used in 1755 to sound the French Government about a suspension of arms during the winter.³ Another financier, probably also of Dutch origin, Nicholas Magens, wrote suggesting that the foreign contacts of this group of financial houses should be

¹ de Pinto, *Traité*, p. 308.

³ Add. MSS. 32,860, f. 326.

² Add. MSS. 32,711, f. 557.

utilised by the Government to assist the officers in charge of the Commissariat abroad. These, he says, should be furnished with proper Credits upon Amsterdam, Hamburg, Bremen and other Places in Germany, Giving him a Power either to draw and negotiate his Bills upon the Treasury or to remit them to the Merchants in London who shall supply him with the Credits, and Whose Business it will be to take care that Justice be done in the Rates at which Foreign Coins are paid out and in the Courses of Exchange at which the Bills shall be drawn.¹

Magens's hint at the financial activities of the Dutch houses in London is amplified by some correspondence of Sir Joshua van Neck, by this time the recognised leader of the group of Dutch financiers, with James West, one of the financial Secretaries to the Treasury in 1760. This correspondence throws interesting light on the transmission of money to meet the Government's war bills on the Continent—the process which after the conclusion of peace three years later produced the most serious financial crisis Amsterdam had seen to date. The procurations of the Amsterdam notaries show how van Neck was instrumental in transferring Dutch investments into the British Funds: this correspondence shows him transmitting money to the Paymasters at Amsterdam. He explains that six days were to be allowed for the passage to Holland. Two-thirds of the total was to be sent by Bills at eight days' sight, and the remaining third to run a month later, in order, as he points out, that the Government interest should not be damaged by fall of the Exchange. Van Neck wrote to West on 13 March 1760 from the office in New Broad Street:²

Sir,

In answer to your favour of yesterday will you please to acquaint the Duke of Newcastle that we give our bills to the pay office on the day we receive the money $\frac{2}{3}$ d at 8 days' sight and the other $\frac{1}{3}$ d at one month date, and allowing six days for the passage of the mail to Holland, and they generally pass in three, the Deputy Paymaster at Amsterdam receives the moneys of £100,000, viz. £66,000 in 14 days after the issue from the pay office here, £33,000 5 weeks after, and I do not well conceive how

¹ Add. MSS. 32,886, f. 440.

² Add. MS. 32,806.

such large sums could be remitted quicker consistent with the interest of Government in the support of the Exchange. All the public remittances were made in the same manner last war, and I never heard of any inconveniency from it. What time is necessary for converting the amount of our bills into specie proper for the payment of the army and sending it there from Amsterdam I cannot precisely say, but cannot think many days are necessary, or that giving our bills at shorter date would forward that operation in the least because when the Deputy Paymasters receive our bills and are sure of the money they may provide the specie by buying ducats at some days credit without any difficulty or inconvenience.

I remain with the sincerest regard, Sir,

Your most obedient humble servant,

Joshua van Neck.

As a source of support for the Funds, London's Dutch financial houses were of vital importance. The debate on Sir John Barnard's motion in 1737 had indicated the Government's concern over the Dutch holding:¹ the first hint that there was any official connection comes in 1746, when Gerard van Neck joined Sampson Gideon in an effort to raise a loan for three millions.² Between 1759 and 1762, a period when Government credit (supported by Pitt's victories) had recovered from the slump of 1755 and huge new commitments were undertaken, Dutch money poured into the Funds. The list of "The Proprietors of Tallies and Orders made out at the Exchequer" for the loan of eight millions in 1759,³ shows the extent to which the Government relied on this small clique of Dutch and Huguenot financiers, whose Continental connections were invaluable in reaching the wider circle of investors in Holland. While real investors provided cash, speculative operators could keep stock prices steady when a fall would otherwise have ensued.⁴ Hence the presence of van Neck, Amyand, Muilman, Fonnereau,⁵ Gideon, Salvadore, and

¹ See *supra*, p. 72.

² Add. MSS. 33,055, f. 219.

³ Namier, *op. cit.* 1, 69.

⁴ Dr L. van Nierop (*Econ. Hist. Jaarboek*, vol. xvii, 1931), Hennebo—Bevel, 15 July 1735.

⁵ Fonnereaus made their money in the linen trade. They were amongst de Neufville's customers: Arch. Brants 401-2 (see *supra*, p. 54).

probably Magens. The first four firms between them accounted for £2,704,000 of the eight millions, a good deal of which was disposed of to Dutch investors through brokers and attorneys working in conjunction with these underwriting firms. (Bartholemew Burton, deputy-governor of the Bank, might also be included, since Philip de Flines's letter to David Leeuw¹ shows that Burton was well known as an attorney to Dutch investors.) Sir Joshua van Neck was probably the most powerful of the group; being connected with the Walpoles by marriage, and a friend of Horace Walpole,² he was attached to the interest of the Duke of Newcastle, with whom he was normally on excellent terms; when, however, a disagreement arose over a Gibraltar contract promised to Thomas Walpole, van Neck was powerful enough to threaten that if the affair was not settled satisfactorily, it would have "disagreeable consequences on the Services of the Government in the Citty".³ The increasing necessity for financial support brought them closer together, and by 1759 he was again in a dominant financial position as the biggest underwriter on the Government's list,⁴ undertaking to raise a clear million for the loan. Van Neck, with van Hemerts, Muilmans, van

¹ Arch. Brants 402: de Flines—Leeuw, 2 Feb. 1740* (see *supra*, p. 134).

² Add. MSS. 32,860, 32,866.

³ Add. MSS. 32,866 (9 Aug. 1756). Sir Joshua had by this time become an indispensable part of the system of Government influence. On 25 Oct. 1758, Newcastle wrote to him from Claremont:

"I have the very great pleasure to acquaint you, That Yesterday I obtained The King's Leave to acquaint our Friend that he should be a Peer, That is, on supposition that he approves and supports the King's Measures. As the House of Commons is the Place where our Friend is of the greatest use, the King does not propose to call him to the House of Lords till the End of the Session and till the Great Points of Business are over in the House of Commons. Our Friend is too reasonable to think, that this Affair could finally be concluded sooner, tho' He is sure of it from this Moment....

"My Lady Yarmouth desired me to lett you know This Good News, in which She has had a great Part. We are all very happy upon it, and I must sincerely wish you Joy of it. I have wrote to our Friend, and shall send my Letter by a Messenger this Evening" (Add. MS. 32,860, f. 155).

⁴ Namier, *op. cit.* 1, 69.

Harthals, Bolwerk and others, had a clientèle of solid, respectable investors in every part of Holland, widows, parsons, orphanages, magistrates and civil servants,¹ whose value Newcastle was well aware of.² He wrote to van Neck on 5 December 1765:

Nobody can be more sensible than I am, of your Constant and Steddy Regard and Friendship for me—or more grateful for the great Assistance, which you so readily and so honourably gave me, in raising the Immense Sums which by your Assistance and Example, I was enabled to do, for the Service of the Publick.³

Jewish sources were tapped mainly through Sampson Gideon and Joseph Salvatore, who were connected with Dutch Jewish brokers and issuing houses in the same way as van Necks were connected with Christian dealers.⁴ Salvatore, who was closely attached to the Newcastle interest, was London agent for Isaac de Pinto. De Pinto was already a pensioner of the British East India Company—a recognition of his “very great and essential services rendered... by the assistance he gave to the Duke of Bedford at Paris for procuring an alteration of the definitive treaty of peace⁵ which regarded the West Indies”.⁶ De Pinto had also proposed a treaty between the British and Dutch East India Companies, but this had failed to materialise. His relations with Salvatore are not altogether clear, but from the terms of the procuration granted by him to Salvatore, it looks as if he acted as a kind of issuing house for British loans at Amsterdam. The authorisation for 1659 runs:

Know all men by these presents that I, Isaac de Pinto, of Amsterdam, Esq., do make, constitute, ordain and appoint

¹ Not. Arch. (van der Brink), *passim*. Appendices B, C and D.

² Van Neck's brothers in Holland, for example, were Abraham, Attorney-General of the Province of Holland; Lambert, Pensionary of Rotterdam; Willem, Professor at Maastricht; and Jacobus, Burgomaster at the Hague (Wotton's *Baronetage of England*: van Neck of Putney).

³ Add. MSS. 32,972.

⁴ Not. Arch. (van der Brink), *passim*. Appendices B, C and D.

⁵ Treaty of Fontainebleau.

⁶ J. S. Wijler, *Isaac de Pinto. Sa vie et ses Oeuvres*, pp. 27–9.

Mr Joseph Salvador of London Esq. to be my true and lawfull attorney, giving and hereby granting to my said attorney full power and authority for me and in my name to receive from the Governor and Company of the Bank of England, or from whomsoever else it may concern, and also sell, assign, transfer and sett over to any person or persons whatsoever, and for such price or conditions he shall think fitt, all or any of the receipt or receipts, assignment or assignments, lottery ticket or tickets, made out in my name or belonging to me for any sum or sums paid in or subscribed for me by any person or persons whatsoever towards raising a sum of £6,600,000 sterling for the service of the year 1759 by virtue of a resolution in the House of Commons of Great Britain. . . .¹

These sources of foreign capital which were made available for the Government through the connections of London's Dutch financiers were not regarded as an unmixed blessing. They were, in fact, usually regarded as, at best, a necessary evil. The knowledge that a substantial part of the Government debt was owned by the Dutch (with whom relations were very strained owing to continual quarrels over the fisheries, alleged abuses of neutrality laws and clashes in India) was, clearly, calculated to give rise to general anxiety if it were to become known. The details of the Dutch holdings were therefore kept a secret, known only to the Directors of the Bank and the Treasury officials. For example, on 11 September 1761 the Duke of Newcastle sent a questionnaire to the Bank.² Two questions were marked "improper to be known to anyone but the Duke of Newcastle". They were: (1) "What sums of the new fund have been transfer'd to foreigners?" and (2) "Whether in their opinion there has been an Increase or Diminution of foreign property in the old funds, particularly Bank Stock?"

The questionnaire was prompted by the consideration that the wells of home investment had run dry as the result of the heavy demands of the war. Credit was becoming more and more restricted, and the Government was forced to make its issues on increasingly expensive terms. The bill for *douceurs*

¹ *Ibid.* Appendix C.

² Add MSS. 32,928, f. 66.

for investors grew heavier every year. In 1759 they cost the Government £1,257,300. In the next three years they increased as follows:¹

1760	£1,852,800
1761	£4,296,375
1762	£5,820,000

On the day before he sent his questionnaire to the Bank, the Duke of Newcastle sent round a request to a number of financiers, asking for advice on the best method of raising the supplies for the following year: amongst those who replied were van Neck, Salvadore, Muilman, and the Under-Secretary for War, Antony Chamier, who was a member of a Huguenot family well known in Change Alley.² The replies of Salvadore and Chamier are particularly interesting, because quite clearly they both regarded the problem as one of persuading the Dutch to risk further investments. There was only one way to overcome the shortage of money and that was to offer the Dutch better terms, wrote Salvadore, who had the advantage of combining the foreigner's point of view with a truly patriotic fervour:

Public securities have not recovered that value which according to the circumstances of time they should bear: many reasons may be given for this but none are so certain as the General Want of Money, the just Apprehension that People have formed that should the War continue, this Nation may be put to the Greatest Distress and that the Confidence of Foreigners may be shaken or at least that no considerable sums can be expected of them, while Matters are in so indecisive a State, they not having the Motives to induce them to Assist Government that every Briton may have and therefore regarding only the Security of their Capital and the Interest it brings, and as we have receiv'd Considerable Sums from them of late, 'tis not to be expected much more can be procured without such Terms are granted as may perhaps instead of Answering the Purpose bring on a diffidence of the *Security* of their Capital.³

Chamier's advice⁴ (which incidentally throws light on the

¹ Sinclair, *op. cit.* 1, 464.

² *Dict. Nat. Biog.*

³ Add. MSS. 32,928, f. 60 (Salvadore to the Duke of Newcastle).

⁴ Add. MSS. 32,928, f. 70.

processes of investment from abroad) tallied broadly with Salvadore's. After the Subscription had been moved in the House of Commons, an interval should be given "to allow of answers from any of the neighbouring parts of Europe", then a meeting of the underwriting bankers should be held to discuss the situation. These would then be able to estimate the Dutch response, since Dutch investors gave their orders unconditionally to the bankers, preferring to buy from the underwriters rather than to subscribe directly "...perhaps considering each subscription as a trial of Public Credit".¹ Chamier's opinion was, however, that if further money was to be forthcoming (and specie was on the decrease and vitally necessary) better terms would have to be offered: if this were done the temptation to the Dutch to take money out of trade and invest in British loans would be irresistible:

It may be necessary to say, that I consider ample Terms as essentially requisite to be given at this time, as it is evident by the decrease of specie in the Kingdom that foreign money must come in aid of the large sum wanted. I apprehend that money has its price like other commodities, that we have all that our neighbours will furnish at the present price of the Funds, of 4 per cent in perpetuity, with an increase of capital of more than 30 per cent. Large sums I suppose are still to be had if greater advantages are to be gained, which advantages Foreigners know they can realise as soon as a peace is made. *They will therefore withdraw large sums from their trade, that can never yield them a profit equal to that that is to be made in our Funds.*

As to the *douceurs*, they should take the form of life annuities to prevent profiteering on the conclusion of peace: this would also confirm the superiority of British investments over French. Chamier continues:

The Dutch have vested large sums in our Funds within these last two years, which they probably purpose withdrawing as soon as the conclusion of peace procures them the advantages they propose. This, my Lord, is benefiting by the distress of the Nation in great degree and will be attended with great prejudice at the time. Life Annuities are unalienable by foreigners and they must be content with their annual income. Another material circum-

¹ Add. MSS. 32,928, f. 70.

stance that seems to me to make Life Annuities preferable to any other *douceur* is this: it takes from France the only resource left them in finance, as all Europe will vest their money here at 7 or 8 per cent rather than with them at 10 per cent.

The inflation of the Government debt continued; in 1755 it had amounted to just over 74½ millions: by the end of the war in 1763, it had almost doubled itself. It is impossible on the present evidence to estimate what proportion of this money came from Holland, but the inference is that a large part of it did. The savings of every class in Holland were concentrated on the British debt and were utilised in liquidating British indebtedness to those Dutch bankers like Pels, Cliffords, Hopes and Muilmans who transmitted money in specie and bills to support Prussia and pay British troops in Hanover.¹

¹ W. Sautijn Kluit, *De Amsterdamsche Beurs in 1763 en 1773*, p. 10.

CHAPTER VI

ANGLO-DUTCH FINANCE AND THE CRISES IN HOLLAND

THE exaggerated expansion of credit during the war reached its limit in 1763, when the peace put an end to seven years of strife and four years of intensive Dutch investment in British war loans. England had had to advance large sums to support Prussia, and in addition had had to pay for the maintenance of her own troops in Hanover. These payments were made by bills payable in Amsterdam and Hamburg,¹ and the opportunity to expand the normal volume of drawing credit tempted many dealers in Amsterdam to grant credits without requiring a parallel security in commodities. A whole tribe of financial parvenus came into being who, unlike the official bill-brokers, did not bother to keep adequate cash reserves at the Bank of Amsterdam. Chief amongst these were Gebroeders Neufville, who rarely kept reserves of more than a few thousand guilders.² When peace was signed there was an unprecedented inflation of credit in the form of unsecured finance bills. Bankers and merchants who had borrowed from each other by chains of bills—the process known as *wisselruiterij*—found themselves unable to meet their obligations, the chain of credit snapped and a crop of bankruptcies followed in Amsterdam and Hamburg. The process was described in *De Koopman*:^{3*}

One of these *wisselruiters* sees that the end is in sight and tries to extricate himself, but has got himself so deeply involved that he cannot save himself: he comes a cropper, and the second man follows him: the third, seeing this, isn't long after, and so follows the first two, so that the whole cavalcade collapses in the mire.

¹ See *supra*, pp. 65, 66.

² E. E. de Jong-Keesing, *op. cit.* chap. II *passim* and p. 216.

³ *De Koopman*, IV, 356.*

The Hamburg bankers warned Amsterdam houses that they would suspend payments unless support was forthcoming for Neufvilles, whose position was very shaky. The letter arrived too late, however: Neufvilles and Arend Joseph failed and were followed by eighteen other houses. There were further bankruptcies in Hamburg, Bremen, Berlin, Leipzig, Altona, Lübeck and Stockholm, and the situation was aggravated by the debasement of the coinage by Frederick the Great, and a paper inflation in Sweden.¹ London itself was not exempt from this crisis which shook almost every financial centre in Europe. For several months, notably from July to November, business was at a standstill, and a contemporary wrote: "Wealth could not procure credit nor connection confidence: but universal doubt prevailed; and all expecting what they feared and disbelieving what they heard, impatiently waited in consternation and despair for a certainty which they dreaded to receive."² In London the Funds were very unsteady at the beginning of August, owing to the withdrawal of Dutch holders to realise on their investments, and the market was uneasy when the first crop of bankruptcies was announced from Holland. But very few of the London houses were involved in the *wisselruiterij* and there were no large-scale bankruptcies. Holland's crisis was London's opportunity, and London bankers (including the Bank of England) came to the rescue of their Dutch correspondents and gave valuable assistance "by giving larger credits to their correspondents in the hour of their distress than they had ever done in the season of their prosperity".³ Heavy remittances were sent for the support of the Dutch banks, so that perhaps the most conspicuous feature of the crisis as far as London was concerned was the outflow of specie to Amsterdam in August, when there were five consignments, and in September, when there were two.⁴ These consignments had the effect of

¹ Kluit, *op. cit.* p. 10.

² Whately, *Considerations on the Trade and Finance of this Kingdom* (1766), p. 61.

³ Macpherson, III, 372.

⁴ Kluit, *op. cit.* pp. 23-4.

raising the price of gold in London considerably, and of giving Holland a more favourable rate of exchange for payments. Further support was also given by the Bank of England and other leading banks which temporarily suspended the payment of their own bills. All this, it is clear, was not pure altruism, but a practical policy dictated by the knowledge that Dutch prosperity was intimately connected with our own, and that heavy failures in Amsterdam would inevitably mean a fall in the Funds and the stoppage of an important source of credit.

One result of the crisis was that, for the first time, a direct rate of exchange was established between England and Russia, and subsequent payments in trade between the two countries could be made directly instead of through Amsterdam.¹ The other result was more imponderable but more important: it was that London had given proof of its growing importance and stability in crisis conditions. On the other hand, the crisis did nothing to check the financial drift in Holland. The big bill-brokers—the Pels, the Cliffords and the Hopes—had not been involved in the crisis, and continued to develop their operations, specialising increasingly in the money trade as their share in the goods trade dwindled. Hope's turnover of bills increased from 800 to 2159 between 1756 and 1777, while their chartering contracts fell from 89 to 22.²

These latter developments are important in considering the second crisis at Amsterdam of 1772–3, which was due not so much to *wisselruiterij* as to the failure of the attempt by Cliffords and other speculators to raise the price of British East India Stock by heavy purchases—an attempt forestalled by the persistent fall of the stock from 224 $\frac{3}{4}$ on 1 January 1772 to 159 on 1 January 1773.³ This time, the crisis in Holland was preceded by a crisis in England and Scotland in the

¹ van Dillen, "De Beurscrisis te Amsterdam in 1763" (*Tijdschrift voor Geschiedenis*, 1922), p. 253.

² de Jong-Keesing, *op. cit.* p. 216.

³ van Dillen, "Effectenkoersen op de Amsterdamsche Beurs" (*Econ. Hist. Jaarboek*, vol. xvii, 1931).

summer of 1772. To get to the roots of these crises, it is necessary to go back and examine the revival of speculation in Indian stock. About 1761, de Pinto had predicted that peace conditions plus an abundance of money would push East Indian shares to "exorbitant heights". Annuities would cease to be the object of speculation and everybody would go in for East India Funds, hoping for bigger dividends because of the Company's progress.¹ The prediction was fulfilled in 1766, when East India Funds were quoted on the Amsterdam Bourse at 230. The general revival of Dutch interest may be seen from the Notarial Procurations.²

The first crisis in 1772 at London and Edinburgh proceeded from the failure of the speculations in India stock of one Alexander Fordyce and his associates. Fordyce, "a man of handsome appearance and possessed of considerable energy with a flow of natural eloquence and a marked suavity of manner", had been "originally bred a Hosier at Aberdeen".³ In 1766 he had backed the Indian funds heavily for a rise and won £100,000, on which he lived extravagantly and married Lady Margaret Lindsay. His run of luck did not extend to even heavier "bear" speculations in 1772 and Fordyce lost more than he had previously won. On 9 June 1772 he absconded to France, leaving his associates, Neal, James and Roffey, to meet obligations totalling £550,000.⁴ Amongst its other operations, the firm of Neal, James and Fordyce had been engaged in the acceptance of dubious bills for the Ayr Bank of Scotland, better known as Douglas, Heron and Company, an institution founded in the optimistic atmosphere of 1769 with a capital of £150,000.⁵ The Directors included the Duke of Queensberry and Dover, the Duke of Buccleuch, the Earl of Dumfries, the Earl of March, the Honourable Archibald Douglas and Mr Patrick Heron. The new institu-

¹ De Pinto, *Jeu d'Actions en Hollande*, pp. 310-11.

² See Appendix.

³ Price, *Handbook of The London Bankers*, p. 120.

⁴ Kluit, *op. cit.* p. 68.

⁵ A. W. Kerr, *History of Banking in Scotland* (1884), pp. 78-9.

tion, it was announced, had a mission to liberalise banking policy in Scotland, which was one reason why there was not a single professional banker on the Board of Directors. It soon became clear that this "liberalism" consisted in financing speculation in West Indian property, building extravagance for the penurious nobility of Scotland and, in general, every kind of social pretension which needed capital for its fulfilment—"stupendous undertakings in buildings, the cultivation of remote islands . . . manufactures upon no other certainty than an enormous and insupportable expence".¹

The original capital of the Bank was quickly exhausted in advances, and the Bank began to manufacture paper money. The older Banks having refused their co-operation, this was done by a chain of bills on London, where certain firms, Fordyce among them, arranged to accept bills on the account of the Ayr Bank, at a commission: with these notes, the Bank purchased bills of exchange on London from Edinburgh bankers. In 1770, their debts totalled £85,000.² In 1771, their London correspondent, Dimsdale & Co., refused any further aid. In May 1772, the directors made desperate efforts at retrenchment. Bills on London came to £400,000, there were £200,000 worth of notes in circulation and £300,000 in deposits, but little or no cash.³

Fordyce had fled on 9 June, and on 12 June a horseman rode into Edinburgh with the news, which precipitated the fall of the Edinburgh branch of Fordyce and Malcolm on 15 June. Both these firms were involved in the speculations of the Ayr Bank, which closed its doors on 22 June.⁴ The fall of the Ayr Bank was the signal for the collapse of its London correspondents—Charles Ferguson & Co., Fordyce Grand & Co., Immanuel Mackintosh, Thomas & William Jolly, Ogilvie & Micklem, Richard Blackburn & James Hunter, Perewell Barker, Alexander Dove, R. & R. Boyle, William

¹ Glover, *The Substance of the Evidence*, p. 4.

² Kerr, *op. cit.* pp. 79–81.

³ *Ibid.* p. 82.

⁴ *Ibid.*

Adam & Co., Adam Wood, Laurice Linsey & Thompson, van Begger & Hamilton, Richard Glyn, Halifax & Co., and Borrow & Co., among others. At Newcastle, Edinburgh and Dublin there were other failures.¹ Again, however, the British crisis was restricted to the speculative clique: there was no general run of bankruptcies, and by September business was pretty well back to normal.

It is not clear what Fordyce's precise connections with Amsterdam were: certainly he was in correspondence with Jewish houses which were later involved in Indian speculations, but whether he was directly connected with Cliffords is uncertain. Each firm in turn tried to rig the market in Indian stock, but whereas Fordyce worked for a fall, Cliffords worked for a rise. In each case, the necessary price movements came just too late to suit the operators and prevent their financial collapse. The fall which would have saved Fordyce did not begin till September, when news of reverses in India sent down East India shares by 14 points at Amsterdam. By 30 September they were down to 197; on 30 October they stood at 183½; on 30 November they were down to 170, where they hovered till they fell to 159 by 30 December 1772.² In the face of this fall, heavy speculative purchases were made by a group of houses in Amsterdam, headed by Cliffords. The other firms chiefly concerned were Herman and Johan van Seppenwolde, Willem Clifford and Chevalier, and Abraham ter Borch.

The offices of the Amsterdam Notaries dealing in English business had been busy since August contracting continuations and mortgages for this group of speculators in East Indian shares in an attempt to force up the market. The Notary Daniel van der Brink had been registering speculative purchase contracts for the Seppenwoldes, and Clifford and Chevalier since July 1772, when the fall had begun. But it was in December that it became clear that the anticipated

¹ Kluit, *op. cit. passim*.

² van Dillen, *Econ. Hist. Jaarboek*, vol. xvii, 1931 (figures from *Amsterdamsche Courant*).

rise in quotations was too far off to suit the speculators, whose purchases had assumed dangerous proportions. But still the speculators continued to take continuations. On 10 December, Herman van Seppenwolde alone continued purchases on East India shares to the tune of nearly 400,000 guilders.¹ Further continuations followed:

10 Dec.	Continuation for	W. Clifford & Chevalier	for	£16,000.
12	„	„	H. van Seppenwolde	„ £15,000.
	„	„	W. Clifford & Chevalier	„ £31,000.
14	„	„	H. van Seppenwolde	„ £24,000.
	„	„	W. Clifford & Chevalier	„ £16,000.
19	„	„	H. van Seppenwolde	„ £21,000.
	„	„	H. van Seppenwolde	„ £15,000.
22	„	„	H. van Seppenwolde	„ £30,000. ²

By this time it was clear that the speculators had undertaken commitments far beyond their resources: they could not afford to withdraw, and on the other hand it was known that they had not even enough cash to cover the payment of marginal fluctuations, which were increasing daily. It was estimated about this time that the total Dutch holding in East India Stock was about 40 million guilders,³ the largest part of which was probably held by Cliffords and their associated speculators. Panic conditions began to develop about 20 December, when the Amsterdam Bourse was buzzing with rumours of impending bankruptcies. *De Koopman* wrote: "I hear many evil rumours, foreshadowing woeful topplings-down in business. God defend our Bourse from a dreadful crash! Shares! Shares! Surpluses! I tremble for the consequences."⁴

¹ Not. Arch. 10,602. A specimen deed may be quoted. "To-day, 10 December 1772, appeared before me, Daniel van der Brink, Notary Public at Amsterdam, Heer Herman van Seppenwolde, merchant in this city, known to be well and truly indebted to Heer George Frederick Kumminck, merchant, for the sum of two hundred and twenty thousand five hundred guilders, on account of ten thousand pounds sterling capital shares in the East India Company of England etc...."*

² Not. Arch. 10,602: 10-22 Dec.*

³ *De Koopman*, IV, 295.*

⁴ *De Koopman*, IV, No. 35.*

During the next few days, the crisis developed and trade on the Bourse was paralysed. Credit had completely disappeared, the discounting houses closed their doors, and the market awaited apprehensively the news that Cliffords were unable to meet their obligations, woefully comparing the circumstances with those of 1763:

The dreadful year 1763 has returned...but the causes are different from those of 1763 and take root in England: the East India Company is the cause, and the whole crash comes, people say, from a British Twister, and it is believed that a certain famous, but rascally broker here in this City has also been responsible for some double dealing. What is more, I believe to my sorrow, that a good many Foreigners will be laughing up their sleeves.... How long has not the fall of the East India Company been foreseen! It was obvious from the English letters that the shares must fall, and when surpluses fall due, it is going to cost somebody a pretty penny!...Our diseased credit is dead, discounting has gone wholly out of fashion, a loan cannot be had except on double security....¹

By 29 December, shares had fallen to 170 and a drop of 50 points proved too much for the speculators, whose actual capital resources probably did not cover more than 20 % of their speculations—the margin which de Pinto considered safe in normal times. On that day, the first summons for debt against van Seppenwolde was registered by Daniel van der Brink for David Henriques de Castro, who alleged that van Seppenwolde owed him “fifteen thousand guilders, the surplus on £1500 sterling capital shares in the East India Company of England, borrowed according to the undertaking of 3 March 1772: these shares now being fallen to 170 %, this request must be recognised within 24 hours.”² On 30 December, summonses began to pour in for the payment of surpluses on continuations, amongst them some from the Dutch branches of the Muilman family:³

¹ *De Koopman*, iv, 295–6.*

² Not. Arch. 10,602: Insinuatie for 29 Dec.*

³ Not. Arch. 10,602.

Creditor	Debt				Date of debt
Dionis Muilman	£1000	surplus	on	£1000 E.I. Stock	26 Sept. 1772
Frederick Berewont	£2000	"	"	£1000 " "	24 Sept. 1772
Gertruij van Veen	£2000	"	"	£1000 " "	24 Nov. 1772
Hendrik Muilman	£ 500	"	"	£ 500 " "	3 Sept. 1772
Hendrik Backor	£3000	"	"	£3000 " "	16 Nov. 1771
Jan Cornelisz	£ 600	"	"	£6000 " "	16 Nov. 1771
Jan Cornelisz	£1000	"	"	£1000 " "	24 Nov. 1772
Nicolaas Muilman	£1500	"	"	£1500 " "	3 Sept. 1772
Pieter Forsbergh	£1000	"	"	£1000 " "	7 Aug. 1772
Pieter Forsbergh	£2000	"	"	£2000 " "	7 Aug. 1772
Lodewijk Hovy	£3000	"	"	£3000 " "	19 Feb. 1772
Lodewijk Hovy	£2000	"	"	£2000 " "	20 Feb. 1772
31 December					
Aron Isaac Capadose	£2000	surplus	on	£2000 E.I. Stock	3 Dec. 1772
Cornelia Wyncoop	£ 500	"	"	£ 500 " "	27 Nov. 1772
D. Perira J ^r . & Con	£6000	"	"	£3000 " "	27 April 1772
Elisah Pereira Davidsz	£4000	"	"	£2000 " "	17 June 1772
Eliz. Deneys	£1500	"	"	£1500 " "	11 Dec. 1771
Eliz. van Weeveren	£2000	"	"	£1000 " "	15 Oct. 1771
Eliz. van Weeveren	£1500	"	"	£1500 " "	30 Dec. 1771
Gerard van der Post	£2000	"	"	£2000 " "	26 Sept. 1772
Hendrik Balthasar van Halst	£2000	"	"	£2000 " "	17 Mar. 1772
Hendrik van Couwenhoven	£2000	"	"	£2000 " "	14 Sept. 1772
Jacob Muhl	£1000	"	"	£1000 " "	9 Nov. 1772
Leonard Davidsz	£4000	"	"	£2000 " "	7 Sept. 1772
Pieter Elias	£1000	"	"	£1000 " "	7 April 1772
Widow of Jan Huydekoper	£2000	"	"	£2000 " "	26 Nov. 1772
Widow of Jan Huydekoper	£3000	"	"	£3000 " "	5 Aug. 1772
—	£3000	"	"	£3000 " "	30 Dec. 1772
2 January 1773 ¹					
Anna van Oostrum	£2000	surplus	on	£2000 E.I. Stock	12 Dec. 1772
Jan Carel van der Upwich	£4000	"	"	£2000 " "	2 June 1772
Isaac de Wolf	£1000	"	"	£1000 " "	14 Dec. 1772
Pieter Pietermaal	£1000	"	"	£1000 " "	14 Dec. 1772
Pieter de Morteer	£1500	"	"	£1500 " "	14 Dec. 1772
P. van der Brock & Hermanus Cranendoncq	£6000	"	"	£1500 " "	19 May 1772
Pieter Clifford	£1500	"	"	£8000 " "	30 July 1772

The crisis was precipitated when the holders, from whom Cliffords, van Seppenwoldes, ter Borch, Clifford and Chevalier and their associates had taken continuations, saw that the speculators could not afford to hold out in face of the pessimistic accounts of the real condition of East India Company itself. This is brought out clearly in an article in *De Koopman* on 31 December.²

Although the fall of the English Funds had been foreseen and feared, it was never realised that it would have such dire results,

¹ Not. Arch. 10,603.*

² *De Koopman*, IV, 298-9.*

and that so many famous houses would be involved. The conditions of English affairs in India are not so obscure that people had not seen for years that something was wrong and that costs of upkeep, excessive expense at the Bengal branch, the maintenance of so many fortresses and so many people, had become an impossible burden in a business in which there were no swift reforms, and which must succumb, with the result that their interests would suffer grievously. The large revenue which in former years went from Bengal to England, has deceived investors, but this affair, and the ruinous clashes between the English and Hyder Ali, which is the prime cause of the collapse of the East India Company is well known to you. Let us not discuss it further: you will certainly have seen what a pitiful condition the Company's affairs are in from the English letters from post to post.

Conditions by this time were even worse than in 1763. *De Koopman* wrote that there was paper enough but no cash; hardly a man on the Bourse or in the bill business could produce 50,000 guilders; credit was non-existent, the circulation of money had stopped and so had the discount business; loans on bonds and goods were scarce, and only a little business was being done in foreign securities.¹ Some houses stood seven to eight hundred thousand guilders in debt.² The whole system of Anglo-Dutch trade was paralysed and six big houses in London immediately suspended payment.³ Amsterdam was helpless, and only London could help. Everything, therefore, depended on the policy of the Bank of England. On 10 January (although it was a Sunday) the Bank made two new regulations. The first announced that anyone who wished could withdraw specie; and by the first packet-boat, loads of bullion were sent by different merchants to their correspondents in Holland.⁴ Sir Joshua van Neck is said to have sent half a million to correspondents in Amsterdam.⁵ At the same time, the Bank made a new regulation about discount, and refused to discount doubtful paper; the immediate effect of this was to break the Jewish houses, which were most involved in the speculation: after that, bills of the

¹ *De Koopman*, IV, 301, 303.*

³ *Ibid.* p. 86.

⁵ *De Koopman*, IV, 423.*

² Kluit, *op. cit.* p. 81.

⁴ *Ibid.* pp. 86-7.

Scottish Banks were refused: finally, all discount was stopped.¹ Rumours immediately began to circulate about the condition of the Bank, which found it necessary to declare that it was pledged to discount all bills, but had made the new arrangement fearing that the Exchange between London and Amsterdam would become unfavourable.² It seems likely that this step was taken quite deliberately to break up the group of Dutch speculators. At all events, that was the actual result of it. Naturally, there was much indignation on the Amsterdam Bourse over this policy, which found expression in print. *De Koopman*, which represented the older point of view, and believed the whole speculative business in shares to be highly dangerous, rose in defence of the Bank's policy, and published the following statement.^{3*}

TO THE PUBLIC

In various newspapers, and particularly in the supplement of an Amsterdam paper for 26 January 1773, an article was printed wherein it was thoughtlessly said that the Directors of the Bank of England had caused the catastrophe which had descended on the commerce of Europe through their deliberate refusal to discount the bills of good solid Houses. Such an obvious falsehood cannot be attributed to ignorance: it would seem to be a malicious attempt to besmirch the fair name of a Company whose honesty and devotion to the well-being of the general credit of all Europe is known to all.

It is therefore pointless to answer these lies and only necessary to call upon the testimony of the merchants of the Amsterdam Bourse themselves, to attest to the public conduct of the Bank of England in 1763. The same ideals have governed their conduct in this last crisis. Not only have they pledged themselves to a generous discount policy, excepting nobody whose credit is beyond suspicion, but they have gone still further: for fearing that the rate of exchange between the Bourses of Amsterdam and London might suffer, they have provided good merchants known to them with gold and silver specie as the safest and quickest way of preventing further dishonour in the trade of both nations. This is well-known on the Bourses of both London and Amsterdam.

¹ *De Koopman*, pp. 423-4.*

² Kluit, *op. cit.* p. 91.

³ *De Koopman*, IV, 344.*

But the number of speculators who, directly and indirectly, were involved in the crash, made it inevitable that there should be a great deal of feeling against the Bank's policy. This indignation is seen at its most extreme in the pamphlet the title of which may be translated as *Candid Considerations of the Origin of the Manifold and Continuous Bankruptcies in the Foremost Commercial Cities of Europe*,¹ which appeared in English, French and Dutch editions a few months later. The author's case was that the responsibility for the crisis lay not with Fordyce or Cliffords, or any of the speculators, but with the Directors of the Bank of England, who, at a most unfortunate moment, declared they would not discount paper for the Jews; later, Scottish paper was refused; and, finally, all discount was stopped. Thus Fordyce, who had attempted to make a come-back, fell, "because the nature of his trade compelled him to have dealings with the foremost Jews of London and Amsterdam, as also with the two Scotch Banks".² Cliffords had actually been insolvent for ten years, but might have continued to stand except for the overbearing conduct of the Bank. The author did not mince matters: what the Bank was trying to do, he says, was to establish a monopoly of discount business, the gold trade and letters of credit. Their argument that there was too much paper in circulation was only a trick to break the private bankers, whom they had always regarded as rivals and enemies.

The accusation was unjust, for, as the Notarial records show, the panic amongst those capitalists who had lent money on mortgage to van Seppenwoldes and Cliffords began a fortnight before the Bank first stopped discounting, and was due to the failure of these speculators to raise the prices of East Indian shares. Again *De Koopman* rose in defence of the

¹ *Vrymoedige Bedenkingen over de Oorspronk der Veelvuldige en Steeds Voortdurende Bankroeten in de Voornaamste Handeldryvende Steeden van Europa* (Amsterdam, 1773) (Koninklijke Bibliotheek, No. 19,006). *De Koopman* suspected that it was written by a French Jew, but otherwise there is no clue to the authorship.*

² *Vrymoedige Bedenkingen*, pp. 1-10.*

Bank's policy against this new attack, devoting several numbers in 1774 to contradicting these arguments, and pointing out that Fordyce himself had been in a conspiracy with the two Scotch Banks and with "Exchange Jews"¹ in London and Amsterdam, to depress the price of East Indian Funds. Cliffords were in a plot to raise prices, but prices had so moved as to ruin both of them.² Meanwhile, says *De Koopman*, this author's sympathy for the Jews, who he fears will be unemployed through this collapse of speculation, is misplaced. It is speculation that has caused these people to lose all character and all desire to work.³ In recent years, they had forsaken real investment to mix themselves up in gambling transactions.

A few old Merchants can still remember the days when the Zwaanenburger Straat here in the city was every day strewn with Casks and Bales of Merchandize, humming with workpeople, for Warehouses employed 7 or 8 Servants. Now grass grows there, so to speak, and amongst the whole population of Portuguese Jews there is not so much commercial activity. Most of them now carry their offices about with them—heads and pockets full of paper, and the rest live on dry bread and idle fancy. Could a more apposite picture be painted of the grievous effects of share gambling on a people?⁴

The crisis in the acceptance and bill business seems to have reached its height on 29 January and 30 January.⁵ In the office of one notary alone, thirty-six protests were registered on account of non-payment out of which thirty-one were directly concerned with the English business, and were either drawn by London clients on these Amsterdam houses or

¹ "Wisseljooden."

² *De Koopman*, v, pp. 260-3.* The writer continues: "There was, according to this supposition, a great similarity between the fall of the house of Fordyce, and that of Cliffords here: only they had opposed each other in the share speculation: the former was not able to hold out until the moment when he expected prices to reach zero—that fatal moment which came too early for the latter (Clifford): both these surprises came long after the first attempt to raise the Funds through force of money and through a kind of hysteria, an attempt evil as well as rash" (p. 264).*

³ *Ibid.* v, 253 and 254 (note).*

⁴ *Ibid.* p. 254 (note).*

⁵ Not. Arch. 10,603: 29 and 30 Jan. (van der Brink) (Wissel-protests).

accepted by Amsterdam banks for payment. Twenty-four were payable by Cliffords or Abraham ter Borch.¹

Protested by	Payable by	Value
Johan Scherenberg	Salomon Gompertz	£1800
Ab. Reeruigh	Philip Levi	£1700
Ab. Bruijn	Hendrik Lacle	£200
Francois de Witt	Clifford & Sons	£440
Gerrit & W. Munter	Levy Salomon	£415. 17s. 8d.
H. H. Danielsz	Ab. ter Borch	£36. 14s.
Andris Pels	Clifford & Sons	£220
H. H. Gerritz	Antonie Grill	£1353
H. van Couwenhoven & Son	Clifford & Sons	£147
Jacob Hooft	" "	£300
Isaac Verhamme	Ole Kierneff	£30. 3s.
I. & J. Verhamme	" "	£679. 15s.
Jan van de Poll Pietersz	Levie Salomons	£165. 15s.
Pieter Frema	Clifford & Sons	£138. 9s. 3d.
Pieter Emmanuelsz	Meyer & Sons	£237. 10s.
P. de la Court de Jonge	Levie Salomons	£70
J. van Royen	H. Spaan	£212. 9s.
Widow of Samuel Ximenes	Ab. ter Borch	£200
Widow of Jacques Gillot	Clifford & Sons	£570
W. T. Huyghens	" "	£272. 5s.
Widow of A. de la Merct	" "	£410
A. van Hemert	" "	£109. 6s. 11d.
Cornelis van Harthals	" "	£172
H. van Couwenhoven	" "	£556. 5s.
" "	" "	£360
" "	" "	£300
" "	" "	£250
" "	" "	£566
Jan Carel van Notten	Ab. ter Borch	£554
" "	" "	£530
" "	" "	£464
" "	" "	£436
" "	" "	£428
" "	" "	£412
" "	" "	£410
Willem de Jonge	Antonie Grill	£120

¹ The history of two typical bills gives some impression of the crisis. On 20 January, Benjamin Jacobs de Jonge had a bill from William Watson of London, backed by Aron Goldschmid. Both Goldschmid and de Jonge were bankrupt: the latter passed the bill in payment to Hendrik van Couwenhoven, who, being pressed for money, presented it to Cliffords, who refused, being bankrupt themselves (Not. Arch. 10,603: 366). On 30 January, Johan van Notten protested against the non-payment by Dreyers in London of a bill which they had accepted of Abraham ter Borch. The protest was exhibited to ter Borch, who announced that neither he nor Dreyers could pay, all being bankrupt (Not. Arch. 10,603: 266).*

Thus the crisis, which had sprung from the ill-calculated speculations of Cliffords and a few others in British East India stock, revealed a general shortage of real cash which paralysed every department of the professional money market. But side by side with the professional speculators in British securities were the non-professional investors, and the collapse of the professional operators and the fall of quotations was their opportunity. The collapse of East India shares and the drop of Bank, South Sea and Annuities did not, therefore, cause any general flight from British investments in Holland. On the contrary, while the out and out speculators disappeared temporarily from the market, there appeared a whole new class of real investors seeking permanent allocation of capital, who put their money without a qualm straight into British Funds. For this class, the crisis was a golden opportunity for a cheap investment. Bank shares which during 1772 had been up to 155 were at 142 and 141 during January 1773; South Sea had fallen from 102 to 95; 4% Annuities (1760) had fallen from 97 to 92½; 3% Annuities from 90 to 87½; East India now stood at 158-9. The total Dutch holding in East India stock was, however, considerably reduced from the forty million guilder mark estimated in December 1772: in March 1773, it was announced that 420 foreign proprietors held £941,166 stock as against about £1,650,000 held by English proprietors.¹ The new investors were mainly drawn from the upper classes—country gentry, wealthy burghers and officials of Amsterdam, widows and wealthy spinsters. So we find, amongst others, the Right Honourable Adam Pompeus, Baron of Leyden, and Lord of Hardingbeld, Joachim van Rendorp, Magistrate of Amsterdam and Lord of Marquette, Ferdinand van Collen, Magistrate and Lord of Guntersteyn, the Lord of Horssen, Nicolaas Taas, Magistrate of Amsterdam, Pieter Testart, “one of the secretaries of Amsterdam”, Willem van Heemskerck, Burgomaster and Councillor, Jacobus van der Poll, Director of the Dutch East India Company, Abraham Calkoen, Bailiff of Amsterdam,

¹ Macpherson, *op. cit.* III, 541 (note).

Jacob Borell Jansz, Councillor, Advocate and Attorney General of the Noble and Mighty College of Admiralty, and Rear-Admiral and Magistrate, Willem Theodore Huyghens. There was Sara de Jonge, wife of the Noble and Awful Salomon de Jonge, Captain in service of the States-General; Margareta Sautijn, Jacoba van Ghesel, Sophia van der Meulen, and Anna Pels were amongst the widows, and Stephania Dupeyron, Wilhelmina Hoseley, Hendrina Onversaagt, Helena van Harencarspel, Jacoba van Stryen and Anna and Veronica Gewin were a few of the spinsters. Only nine names that are certainly Jewish appear in the Procurations between 1 December 1772 and 15 January 1773.¹

Prices continued to fall, and low water was reached in June 1773, when East Indian shares sank to the record low figure of $142\frac{3}{4}$ on 7 June. Meanwhile, by April, Dutch holders of East Indian shares were selling out fast, but were buying Bank, South Sea and Annuities.² There was no permanent recovery of prices until 1775. But in the meantime, the City of Amsterdam had established a Loan Bank, with a capital of two million guilders which had been borrowed from the Wisselbank. Confidence returned gradually, and between 14 and 29 January 1773 the Procurations of the Notary van der Brink contain transactions for thirty-one Jews against thirty Christians.³ And in the 'eighties, the number of Portuguese Jews interested in speculation in the English funds was still very large.

Serious though it was, the crisis by no means spelt the end of Amsterdam as a commercial and financial centre or of Holland's financial surplus. That recovery was extraordinarily rapid is indicated by the fact that as early as January 1773, the sponsors of the British West Indies Estates Bill were optimistic enough to believe that the Dutch still had a surplus of capital which they would be willing to invest in British enterprises. The bill was the outcome of a hurricane in the

¹ Not. Arch. 10,602, 10,603. See Appendix, pp. 216-221.

² Not. Arch. 10,604.

³ Not. Arch. 10,603.

West Indies, which in St Croix alone had done damage costing over a million pounds, and its purpose was "for encouraging foreigners to lend money on estates in the West Indies on mortgage, and to authorise them to sell the lands so mortgaged for repayment of their principal and interest at the end of a certain term, and under certain restrictions".¹ It was introduced by Oliver Nugent, a West Indian merchant, who pointed out that the sugar islands were in great need of money, which might easily be procured in Holland, where interest was only 2 or 3 %, whereas in the islands it was at least 8 %. About one and a half millions were necessary, and the merchants of St Croix had already shown the way by borrowing in Holland. The suggestion was that small sums of, say, £100, should be subscribed in Holland to financial houses and lent to West Indian planters on the collateral security of some well-known London merchant: the Dutch would be glad to get 5 % on their investments. Pulteney supported the bill, and said that the sugar trade needed help, production having decreased from 100,000 hogsheads to 93,000. The bill itself related that "whereas it has been found difficult to procure sufficient loans from the subjects of this kingdom...it would be convenient if money could be borrowed abroad".² The bill did two things: it made it quite certain that a foreign investor could recover his capital in case of non-payment, and gave him the right to apply for a decree of sale of the mortgaged property in the Court of Chancery where the estate was situated, even when a state of war existed between the country of the investor and Great Britain.

It is not possible to know how quickly the Dutch capitalists responded to this invitation, since the records which have survived are only sufficient to indicate that it did not go unanswered, and that Dutch capital went to St Croix, Tobago, and Barbados. In each case, a London house guaranteed the capital and interest, and a Dutch house

¹ Hansard, *Parl. Hist.* xvii, 686, 687.

² Statutes at Large, Anno 13 Geo. III, c. 14.

the interest. A few prospectuses which survive are the following.^{1*}

1 Nov. 1773. Mortgage for 165,000 guilders for Daniel Mathew for his Plantation "Felixhall" on Tobago, valued at 400,000 guilders; to run for 7 years at 5 %. Negotiated through Vernede & Co. Amsterdam.

Surety { Maitland & Boddington, London.
Vernede & Co., Amsterdam.

1 March 1774. 165,000 guilders at 5 % for Walter Carrew, Esquire, on his Plantation "Frindship" situated on Tobago, valued at £27,254. 8s. 4d. (299,794 guilders); to be paid off in 9 years. Negotiated through Jo(h)an Hodshon of Amsterdam.

Surety for Capital and interest, Serocold & Jackson, London.
Surety for interest, Joan Hodshon, Amsterdam.²

1 June 1774. 121,000 guilders, for Francis Bell on his two Plantations, "Homes" and "Lemon Arbour", lying on Barbados, valued at £24,292 (267,211 guilders). Negotiated through Balthasar van Homrigh of Amsterdam; to run for 10 years at 5 %.

Surety { William Forbes & James Ballmer, London.
Balthasar van Homrigh, Amsterdam.

1 May 1778. 770,000 guilders for Robert Tuite, of London, for the Sugar Plantations "Sion Farm", "Richmond", "Strawberry Hill" and "Grange", all lying on the Danish American Island St Croix, through Gabriel Bourcourd & Co., Amsterdam.

Surety { Christopher Macevoy, St Croix.
Thomas Stapleton, London.
Chippendale Selby & Co., Copenhagen.

¹ Nederlandsch Economisch Archief,* Folio III (1670-1805), Nos. 42, 30, 40, 32, 31.* Loans were also negotiated for the Danish Asiatic Company at Copenhagen (£700,000) by Pye, Rich and Wilkisons of London with Dutch assistance in 1779 (Folio III, No. 73). A mortgage of £300,000 for Thomas Cumming on Demerary sugar, coffee and cotton plantations, in Amsterdam, March 1791 (No. 46). In 1776 the Broker A. de Lange at the sign of the "Gouden Ketting" Keizersgragt, Amsterdam, assisted in negotiating a loan of £175,000 (Irish) for the Royal Treasury, Dublin—Liferents at 6 % (Folio III, No. 25). In 1789, prospectuses were printed for a Million Pounds Tontine Loan for Great Britain (1000 shares of £100 each) (Folio V, No. 10).*

² See fig. 4, p. 185.

B E R I G T V A N E E N N E G O T I A T I E

Van *f* 165000:-

Ten Comptoire van de Heer JOAN HODSHON,
te AMSTERDAM.

Voor den tyd van 9 Jaaren vast, en om vervolgens het Capitaal in de 5 volgende Jaaren afteloffen, teegens den Intrest van 5 pCent in 't Jaar, te betaalen op Coupons, ten behoeve van de Heer WALTER CARREW *Esqr.* onder Verband van zyn Plantagie, genaamd *Frindschip*, geleegen op Tabago, en getaxeert op *L.* 27254·8:4. uitmaakende *f* 299794:- Hollands geld.

Boven het Hypotheecq der Plantagie zyn voor Capitaal en Interessen Borgen de Heeren SEROCOLD en JACKSON, in *London*, en daar en boven is de Heer JOAN HODSHON Borg voor de Intressen à 5 pCent.

De Obligatien zyn alle gedateerd P^{mo}. Maart 1774.

Figure 4. *Notice of a Mortgage.*

1 March 1781. 132,000 guilders for Lieutenant Governor William Young, Planter on the English Island Tobago, "under general connections with his Person and all his goods, especially his two Plantations situated on the said island", the first named *Auchenskock*, 262 acres in extent, with 95 slaves, Men, Women and Children, taxable value £16,305, and the other called *Halfield*, 300 acres in extent, with 83 slaves, taxed at £11,212, making altogether £27,517 (302,687 guilders reckoning 11 guilders to the pound); to run at 5% interest. Negotiated through Messrs J. A. Crop & J. May & Co. of Amsterdam.

Surety { Robert Young, merchant, London.
Johannes May, Amsterdam.

The only direct evidence that has come to light for Jamaica is in a petition in the local Chancery in the case of *Littlejohn et ux. v. Cargill et al. executors*, in 1775.¹ The executors claimed that they had power to raise money by mortgage and were trying to do so:

That your Petitioners have lately heard that Gesuinus Erkelem of the City of New York in North America, merchant is impowered by Persons in Amsterdam in Holland to Negotiate Loans of Money for them to a very considerable amount under the late Act of Parliament enabling foreigners to lend money on securities of Mortgages on Estates in the West Indies, and that the said Gesuinus Erkelem hath wrote to this Island offering to negotiate such Loans and that he will procure two-thirds of the value of Estates properly appraised to be advanced on the Security of a Mortgage on such Estates agreeably to the Terms of the said Act of Parliament.

The executors tried to borrow £40,000 (Jamaica currency) on estates valued at over £90,000, but it seems doubtful whether they succeeded. The real significance of the incident is in showing how the Dutch were constantly seeking new financial contacts. Having accustomed themselves to colonial mortgages in Surinam and other of their own colonies, they were not unprepared to lend to foreign colonies: this in turn accustomed them to lending to foreigners across the Atlantic, preparing the way for the large transfers of capital to the United States after 1780.

¹ Jamaica Chancery, Proceeding, Lib. 61, pp. 323 *et seq.* For this information I am indebted to Mrs Butterfield of Kingston, Jamaica.

When the short-term effects of the crisis and the temporary panic were over, Holland still had a large surplus of capital invested in foreign countries, especially in England. Speculation on the Amsterdam Bourse was resumed and business went on as usual. But the crisis had serious long-term effects. It had given Amsterdam's reputation a severe shock and had revealed the weakness of a market where risky speculation, acceptance banking and discount business were all carried on under one roof. By contrast, the action of the Bank of England had emphasised the solidity of London. Secondly, it had served to emphasise the disconnection of finance from real trade at Amsterdam which was in part a consequence of, and in part the reason for, the dwindling share of the Dutch in European commerce. It is true that the trade in grain, herrings and colonial goods was considerable until 1781, but in general, the scale of Holland's trade did not keep pace with the enormous increases in production and in the bulk of goods in transit elsewhere in Europe. Originally, Dutch finance had been the servant of Dutch trade, but as that trade dwindled, Holland's lending services became more and more precarious; meanwhile, as *De Koopman* pointed out, the elements on the Bourse who had forgotten that finance should be servant and not master, were getting more powerful—those who “carried their offices in their heads and pockets”. Of the three biggest houses in Amsterdam, Hopes were steadily becoming pure bankers, Cliffords had crashed, and Pels went out of business in 1774 as a result of the crisis.¹

While we must not give overmuch weight to purely economic forces in a discussion of Holland's economic decline—it was war which was really fatal to the Republic—we may say that the weakest point in the Dutch economy was the absence of any large export industry which could form the backbone of a solid export trade and provide a real channel for home investment. While British industry was being concentrated on a war basis and British textile industries protected and subsidised, the coincidence of the interests of the

¹ van Dillen, *Jaarboekje* 1928, p. 89 (note).

Dutch foreign investor and the free-trade traditions of the stapler merchants drew capital and energy away from industry. Home investments could not hope to compete with the attractions offered by the war finance of England. *De Koopman* explained the financial dilemma of peaceful Holland in an article written in 1774.¹

England has discovered the art not only of keeping her money at home and thereby raising up as many branches of commerce and handicraft as she wants, but also the art of ever finding fresh money, not amongst her own People, because it cannot be obtained there, but amongst Strangers—amongst us, who are so philanthropic that we would rather do good to our neighbours than to ourselves, and, both in home and foreign affairs, have become such lovers of foreigners that we overlook the welfare of our own House, protest against it as one will; England possesses a three-fold art: it uses our money to make itself great, and greases our palm continually with paper money: we content ourselves with the Revenues, giving no thought to the Ruin of our Children and Posterity. The English State sinks away under its debt, but the substance of that debt is spread amongst the nation, which becomes rich and prospers, although the State is poor. Our State, on the other hand, is very rich and has, so to say, no Debt, and always finds amongst its own inhabitants as much money, and more, than it wants—more, I say, for those very inhabitants might well wish that it would contract some new Loans, but it does not find them necessary: for what could it use them for? And in this question, they wish that there could be devised in this country some funds which would be good and durable, beneficial to the Country and the People, in which Capital could be invested: but these must, we think, be sought and found in the country itself, because the one fundamental rule of our State and Union is *not to expand*.

The parallel between financial development in England and Holland ceased about this time, because while finance in England became the handmaid of industrial revolution, in Holland it was to become the mistress of a plundered and bankrupt household.

¹ *De Koopman*, v, 250.*

CHAPTER VII

THE END OF THE DUTCH INVESTMENTS

DUTCH neutrality, which had enabled Dutch capital to flow to England since 1713, and Dutch confidence in British credit, expired simultaneously in 1780, under the pressure of American revolt and the French war. Holland was divided into Anglophile (Orangist) and Francophile (Patriot) camps, while first France and then England put the screw on Dutch trade. England was, in 1778, in a worse position than France, and the feeling against England was strengthened by the current belief that the country was politically degenerate, after coming off second best against the American rebels. France wanted to use Dutch shipping, and when the States-General would not consent to all the demands of the French Ambassador, de la Vauguyon, she withdrew all concessions which had been granted in the way of tariff reductions and trade benefits.¹ Amsterdam itself was sharply divided, but the Francophiles were in the majority. Already since the war had started, Dutch trade had received its usual stimulus, and had entirely taken over the French freightage in the Baltic, where, in 1780, there were 2075 Dutch as against 1651 British ships trading.² It was clearly to the Dutch advantage to insist on all the rights, and more, granted under the Anglo-Dutch Treaty of 1674, and to carry supplies to France and America. But Britain thought otherwise. In January, a merchant fleet convoyed by Admiral Byland was captured and taken into Spithead. Dutch protests were answered with the threat that all foreign vessels found assisting the enemy with warlike stores might be considered lawful prize.³ Later, a royal declaration suspended the advantages of official neutrality, and war broke out in

¹ Manger, *op. cit.* pp. 15-16.

² Macpherson, III, 649.

³ *Ibid.* p. 562.

December, after the accidental discovery of the secret protocol between the States-General and the American Government.

Dutch capitalists who held British securities began to be seriously disturbed. A new British loan offered in Amsterdam in 1780 had only taken £100,000 away from Holland,¹ and this new check on credit hindered the British Government in its dealings with America. The Jonkheer L. Th. Grave van Nassau La Leck computed that, at this time, Dutch capitalists held three-sevenths of the English National Debt, and advised them to sell out as quickly as possible.² Another estimate made in 1777 by Lord North put the Dutch holding at £59 millions, out of a total debt of £143 millions.³ Meanwhile, the special conditions of credit superiority which de Pinto had noted were ceasing to apply. Necker had remedied the worst mistakes of l'Averdy, which had ruined French credit, and his loans began to find subscribers in Amsterdam.⁴ The Americans had sent a financial representative, John Adams, to Holland, to persuade the States-General to back a loan for them. (A previous attempt to float one in 1778 had failed completely.⁵) In April 1781, Adams sent a memorial to the States-General in which he urged them to recognise the United States: "The originals of the two Republicks are so much alike that the history of one seems but a transcript from that of the other, so that every Dutchman instructed in the subject must pronounce the American Revolution just and necessary, or pass a censure upon the greatest actions of his immortal ancestors."⁶ But appeals to republican ideals did not cut much ice until they were supplemented by expectations of profit, and it was the improved credit of the American

¹ Manger, *op. cit.* p. 16.

² *Ibid.* pp. 16-17.

³ *Ibid.* p. 17 (quoting *Brieven over de Noord-Amerikaansche Onlusten*, Utrecht, 1777).

⁴ M. Marion, *Histoire Financière de la France depuis 1715*, I, 238-9.

⁵ J. C. Westermann, *The Netherlands and the United States. Their Relations in the Beginning of the Nineteenth Century* (Hague, 1935), p. 2.

⁶ *Ibid.* pp. 2-3. See also P. J. van Winter, *Het Aandeel van den Amsterdamsche Handel aan den Opbouw van het Amerikaansche Gemeenebest* ('s Gravenhage, 1927-33).

Government which enabled the loan of 1782 to succeed, though even here subscriptions only came in slowly. Further loans in 1784, 1787 and 1788 had more success as the credit of the Confederate Government gradually improved, and in 1790, eight loans for twenty-five million guilders were floated in Holland by the firms of W. and J. Willink (the official agents for the American Government in Holland) and Van Staphorst & Hubbard.¹ Other large Amsterdam offices also began to concentrate on American business—Stadnitzski, P. & C. van Eeghen, Ten Cate & Vollenhoven, and R. J. Schimmelpenninck—and besides buying U.S. federal stocks, invested in the state debts of Massachusetts, South Carolina, Pennsylvania, the U.S. Bank, the Potomac Canal Company, the James River Company, the Sautee Canal Company, the Lock Navigation Company of New York State, and the Connecticut Canal Company. In 1791, they bought 25,000 dollars in the Society for Establishing Useful Manufactures.² The American loans were handled more after the fashion of the Continental loans, since there was as yet no regular market for securities in the States: the Amsterdam firms acted as issuing houses, buying blocks of shares which they resold in Holland.³ Subscription was done through a New York attorney: the most popular one in these years was the firm of Le Roy Bayard and McEvers.⁴ By 1794, it was estimated that loans to America from Holland totalled 34 million guilders.⁵ By 1796, the whole American foreign debt came to about 12 million dollars and was due entirely to Holland.⁶ Meanwhile, in 1795, the six biggest houses of Amsterdam had joined to form the *Hollandsche Land Compagnie*, which was to be the centre of the gigantic land speculation in the north and west territory of Pennsylvania and western New York.⁷ In the meantime, loans had followed politics and Dutch money had

¹ Westermann, *op. cit.* p. 10.

² P. D. Evans, *The Holland Land Company* (Buffalo, 1924), pp. 3-20.

³ Not. Arch. American Procurations.

⁴ Not. Arch. 10,656 *et seq.*

⁵ Westermann, *op. cit.* p. 10.

⁶ Seybert, *The United States of America* (1818), p. 728.

⁷ Evans, *op. cit.* p. 34.

also gone to France. Two estimates indicate the changing rates of investment. In 1782, van der Spiegel had estimated that Holland had 280 million guilders in England, and 25 millions in France. Four years later, Thulemeyer, the Prussian Ambassador at the Hague, said that Holland took 15 million guilders in interest from England, and 12 million guilders from France.¹

The Notarial records show that the war of 1780-3 had done less than might be expected to disturb the operations on the Amsterdam Bourse. While no new loans were taken up, speculation in British established securities seems to have gone on much as before,² though there must have been temporary difficulties in transferring dividends, since the total volume of trade between the two countries was seriously diminished in these years of war. The fall of security prices had, as usual, brought in a number of unusual clients seeking a permanent investment. Amongst other buyers were "The Parnissim of the Brotherhood of Orphant Boys of the Portuguese Jewish Nation, Commonly called the Abi Tetanim at Amsterdam", the Consistory of the Walloon Church, Nicolaas Taas, "one of the Magistrates and Councillors of Amsterdam", Frederick Guillaume Graaff van Hampesch, Jan Bicker, magistrate, the Masters of the Orphans' Hall, Rotterdam, and Ernst Willem van Wijdenberg, "Attorney General of the Noble and Mighty College of Admiralty at Harlingen".³ While, therefore, it seems that investors generally did not take the Jonkheer la Leck's advice to sell out too seriously, the Procurations of the Notaries van der Brink and J. H. Zilver for 1785⁴ suggest that the spring of that year was the real turning point, for in January and February there was heavy selling of British securities, and American securities begin to appear for the first time.⁵ French loans also attracted support, and once again let down their investors; Henry Hope wrote in 1791: "Very large sums are constantly placed out,

¹ Manger, *op. cit.* p. 60.

² Not. Arch. Procurations: Nov.-Dec. 1780.

³ *Ibid.* ⁴ Not. Arch. 10,661 and 17,238.

⁵ *Ibid.*

of which the greater part in former times went to England, and much has later gone to France, from the spirit of gain, attracted by the higher interest of money, they sold out in England, and are now doing penance for having placed their money in France.”¹ But the triumph of the Patriots and Francophiles in 1795 strengthened the bonds between Holland and France; loads of cheese, fish, sugar and coffee were imported into France, and the balance of trade went temporarily in favour of Holland in 1796.² Meanwhile, in 1795, 1796, 1798 and 1799, trade between England and Holland was at a standstill; the blockade was in full force³ and Frenchmen were prophesying the end of “la grandeur Britannique”. The little Dutch fleet was helpless against the British men of war and the English corsairs. British securities disappeared from the *Price Courant* of the Amsterdam Bourse, and Dutch investment was concentrated in America and France, where, in 1801, M. Hogguer of Amsterdam (the financial representative of the Batavian Republic in France) and M. Valckenier, “Ambassadeur de la République Batave près la Cour d’Espagne”, figured on the first list of shareholders of the “Banque de France”.⁴ In 1803, eleven Dutchmen of Amsterdam were on the list: Arnoldus Coerman; Conderé Brantz and Chauguyon; Hogguer & Co.; Nicolaas Hubbard; Jan Boers; Abraham Kuvel; J. van der Hoeven; P. C. van Eeghen; Jacob van Staphorst; Christian Anthony Verhuell; Jacobus Verzyl. By 1804, they had all disappeared, for this was zero hour in the history of Holland. In 1805, it was reported that half the population of Amsterdam were on the poor rate.

The last years of the eighteenth century had really seen the end of the period of Dutch investment and speculation in British securities. India, Bank and South Sea stock and

¹ Manger, *op. cit.* p. 61.

² *Ibid.* p. 149.

³ Import and Export Charts, Macpherson.

⁴ *Recueil des Pièces Relatives au Régime de la Banque de France* (Paris, An. 12).

3 and 4 % consols reappeared on the price list for a *rescontre* on 15 May 1802, but they were overshadowed now by American attractions, chiefly speculation in the so-called liquidated debt and land Securities, transport, highway and canal companies, consols, Bank stock and municipal loans.¹ On the Price Courant for 1 June 1802, American securities head the list.²

Meanwhile, trade had diminished to such an extent that it was difficult for the Dutch owners of British securities to receive their dividends, and in March 1805, the firms of David and Samuel Saportas, Stadnitzski and van Heukelom, Bremer de Lannoy and de Neufville joined to set up an Office for the Administration of English Funds.³ The Prospectus enlarges on the difficulties which beset the average holder of these Funds, the chief being the "necessity for negotiating bills on the Amsterdam Bourse". The scheme actually amounted to an offer to take over 3 % consols of 1797, 5 % Navy Annuities, Bank, India and South Sea stock and 3 % Old and New Annuities from individual holders, and pay them in return a fixed interest, taking a commission fee for the trouble involved. It seems to have been based on previous experimental investment trusts which had been formed at Haarlem, Utrecht and Amsterdam during the shaky period after the crisis of 1773.⁴

With the signing of peace, British securities were again quoted on the Amsterdam Bourse,⁵ and a temporary spurt of investment is revealed by the figures for British stocks held by foreigners given in the second report of the "Secret Committee on the Expediency of the Bank Resuming Cash Payments" in 1819.

¹ Smith, *op. cit.* p. 151.

² Plakkaten (*Econ. Hist. Bibliotheek*, 6. g. 41). See Appendix for List for 1795.

³ Ned. Econ. Arch. Folio III, No. 225.*

⁴ H. C. Difereë, *Studien over de Geschiedenis van den Nederlandschen Handel* (Amsterdam, 1908), p. 76. A Company was formed at Utrecht, which had capital invested in ten kinds of shares, colonial mortgages and European State loans.

⁵ Smith, *op. cit.* pp. 151-2.

TOTAL STOCKS HELD BY FOREIGNERS

24 Nov. 1810	£14,566,994
28 Feb. 1815	£15,878,290
31 Aug. 1818	£12,486,913 ¹

In January 1818, the Dutch possessed securities worth eleven million dollars in America, which was rather less than half the total foreign debt owed by the States. British holdings at the same date stood at a little over twelve million dollars.² The domination of Dutch capital was at an end and after the peace Europe was flooded with the products of the British industrial system which had been raised up by the demands of war. Nathan Rothschild said that the Dutch were declining into small investors, with small stakes everywhere and no single large holding in any country.³ Business on the Amsterdam Bourse, which for two centuries had been the most advanced speculative market in the world, and on which much airy wealth had been made and lost, dwindled to a comparatively small number of sober transactions.

Holland emerged after the peace with a great part of her colonial empire intact. After a temporary boom, during which it was hoped that Amsterdam might regain her old stapling position once more, Dutch trade fell back to not much more than the actual imports and exports necessary for the needs of Holland herself.⁴ It was then fully realised that Holland had lost her monopoly. But still Dutch merchants and statesmen refused to abandon their traditional free port theories, and a writer in 1824 remarked that Dutch trade rested on better foundations than that of England, because it consisted only to a small extent of industrial products, while 70 % of English exports came from factories, which rendered English trade unsteady and changeable.⁵ While older statesmen clung desperately to their prejudices, one man, King

¹ *Second Report of Secret Committee on the Expediency of the Bank Resuming Cash Payments*, p. 354. (Appendix, No. 43.)

² Seybert, *op. cit.* p. 757.

⁴ van der Kooy, *op. cit.* pp. 65-8.

⁵ *Ibid.* pp. 67-8.

³ *Second Report*, pp. 158-9.

Willem I, saw that only a definitive tariff policy could save Holland; he saw that after the colonial trade, the textile and metal industries were the most important, and these were duly protected by the tariff of 1816, and the revised tariffs of 1819 and 1822.¹ On the other hand, it was recognised that the transit trade through Holland between England and Germany was inevitable, attempts to hinder it were abandoned, and the following twenty years saw Rotterdam rise on the profits of the cargador trade between England and the Rhine.²

¹ van der Kooy, *op. cit.* pp. 104-6.

² *Ibid.* p. 94.

CONCLUSION

Throughout the eighteenth century, Amsterdam merchants struggled against trading difficulties and the competition of direct traders which made the task of the intermediary merchant more and more thankless. These difficulties only served to emphasise the attractions of easy money offered by the foreign loan business, which was connected organically with the older active trading through the developments in acceptance and discount technique.¹ But finance brought speculation in its train and speculation brought recurrent crises—in 1720, 1739, 1751, 1763, 1773, 1782. A vicious circle was created in which the attempt to recoup trading losses by recourse to finance produced crises and slumps which tended seriously to undermine what remained of Amsterdam's position as *entrepôt* for the world's goods. In 1763, for example, as security for her loans Amsterdam had to take more and more goods into an already overstocked market: these had to be sold at any price and the expected recovery of prices was postponed.² As we have seen,³ English merchants were regularly complaining that goods sent on commission to Amsterdam did not fetch anything like the anticipated prices. The indirect traders could not cope with the competition of "bilateral" trade, and the delicate mechanism of this central *entrepôt* was upset by the direct commercial aggression and protective tariffs of other countries, Britain in particular, which were rapidly developing their own industrial and transport services, and by the price-cutting movements which followed the trade depressions. These factors all stimulated direct trading.⁴ In consequence, Amsterdam came to be

¹ C. H. Wilson, "The Economic Decline of the Netherlands", *Economic History Review*, ix, No. 2, 119-20.

² E. E. de Jong-Keesing, *op. cit.* p. 217.

³ Chap. II (iii and iv), *passim*.

⁴ In this connection, it is interesting to consider the parallel effects of the crisis years 1929-32 on London as world's *entrepôt*. The *Midland Bank*

increasingly concerned with financial business, and while it would be too much to assume that Chamier's dictum (i.e. that the Dutch were withdrawing money from trade to invest in British stocks) was true over longer periods, there can be no doubt that the attractions of finance must be classed with trading difficulties as a factor diverting capital and energy from active trading.

What was the nature and result of Holland's loans to Britain and elsewhere? The transfer of capital does not appear from the figures for trade between England and Holland, for in spite of occasional years like 1773, 1774 and 1776, when exports from Holland to England rose above the half million pound mark, the general tendency was for exports to fall or remain stationary.¹ But in fact such figures were becoming more and more divorced from the real facts as Holland became increasingly financial, and the importance of her services—banking and credit services—to Britain lay in the function of paying Britain's Continental armies and Continental allies.² Dutch lending could therefore be effected by exports of commodities, of gold or of bills of exchange: since she was decreasingly an industrial and *entrepôt* country, the export of commodities was restricted, though to know to what extent these movements of capital were actually represented by exports of goods from Holland would require trade

Monthly Review for May–June 1939 (“Long Term Trends in Britain's Overseas Trade”) writes that Britain's position as an *entrepôt* “has been weakened by the slump and the measures taken by many countries, largely in consequence of it. The physical volume of re-exports, after diminishing sharply in the years to 1932, has failed to recover at all since then; on the contrary, it has suffered a further shrinkage. Here is one indication of the increasing resort to direct ‘bilateral’ exchanges over a large area of world trade, in preference to the old multilateral system which pre-supposed freedom in trade and finance and in the movement of prices in response to supplies and demands made effective in some central market. The change entails a considerable loss of income to this country for its services in the capacity of broker and provider of market and trans-shipment facilities.”

¹ Macpherson, *op. cit.* vols. III and IV, trade figures *passim*.

² See *supra*, pp. 65, 159, 167.

figures more detailed than are at present available. The inference is, however, that there was not much parallel between loans and exports from Holland itself, for Holland was being increasingly by-passed by the goods traffic. Exports of gold were chiefly necessary for the northern and colonial trade, and it seems to have been only in times of crisis that there was much gold movement in the European trade. For the most part, the movements of capital were effected by means of bills which represented Dutch claims for commission, transport or banking services rendered to other less developed nations, and, to a decreasing extent, payment for Holland's own products—herrings, dairy produce and colonial goods. What Holland did was to extend the use of these claims on various European centres to the British Government and others, chiefly for the purpose of financing Britain's Continental wars.

Dutch international loans of the eighteenth century therefore present a broad contrast to British lending in the nineteenth century. The latter might be described broadly as an arrangement by which Britain was enabled to sell her industrial surplus abroad during a period when it was impossible to receive a corresponding value in desirable imports owing to fiscal, political or transport difficulties. A very large proportion of this nineteenth-century British capital export was represented by a parallel export of British manufactured goods, so that while it might be argued with some justification that over a long period part of British capital export was a sowing of dragon's teeth, it could be argued even more convincingly that over shorter periods British foreign investment was a direct stimulus to home industry. This capital migration not only transmitted the effects of the Industrial Revolution to the Continent and elsewhere, but it drew men and frontiers with it,¹ and the resulting expansion of markets helped to change the whole face of Britain. Holland's foreign investment was different both in nature and result. It was not a method of financing Dutch exports but a permission to

¹ L. H. Jenks, *The Migration of British Capital*, p. 4 and chap. v *passim*.

utilise Dutch credits in other countries, and as such it represented more what Mr Hobson has called "diminution of imports"¹—imports to which Holland was entitled for her banking, shipping, commission and insurance services to foreigners. The only occasion on which British nineteenth-century loans approximated to this utilisation of external credits was the occasion of Baring's indemnity loan to France in 1817.

So far from stimulating Dutch industrial development, Holland's eighteenth-century loans almost certainly obstructed and postponed it, directly and indirectly. Dr van der Kooy has pointed out that while there was a natural affinity between the Amsterdam world market and certain refining and finishing industries—the *trafieken*—there was an equal hostility between the free market and, say, the textile industries. While this conception of the world market dominated Dutch trade policy, the Dutch industrialists were prevented from carrying their claim for the tariff policy which would have been one way of trying to save Dutch industry from extinction in the face of British and Belgian competition.² Ultimately, the result of the collapse of the Dutch world market was the protective tariff system for the benefit of the Dutch textile and metal industries undertaken by King Willem I in 1816. This was postponed, however, largely because earlier economic compensations for the decline of trade were sought in financial and speculative foreign ventures. The organic connection, as we have seen, was between international trade and international finance. Between international trade and home industry, there was only a hostility comparable to the hostility between the Anti-Corn Law League and nineteenth-century English landlords. The Dutch staple traders refused to admit that the world market was irreparably lost and persisted in their hereditary contempt for manufacturing industry. Public opinion remained set

¹ C. K. Hobson, *The Export of Capital*, p. 16.

² van der Kooy, *op. cit.* pp. 53–6. See also the author's article in the *Economic History Review*, ix, No. 2, 118.

against industrial protection, and statesmen like Gogel and van Hogendorp pursued the chimerical ideal of "the most unrestricted porto-franco".¹ It was this attitude of the staplers and their allies the bankers which interfered with the free flow of internal capital, preventing what Unwin described as the fertilisation of industry by commercial capital. Just as the economic development of France at this period was hindered by a wastage of capital and enterprise in the sterile wastes of bureaucratic corruption,² so Dutch economic development was postponed by a leakage of capital into international finance.

The financial alliance between England and Holland was purely a business agreement and implied no increased warmth in the uneasy political neutrality observed between the two nations. The British Government was as uneasy at having to rely on Dutch money as the Dutch were disturbed to find their capital flowing abroad to assist their most dangerous rival. A remark in a satirical article on how to send down the stocks in *The Gentleman's Magazine* for 1762³ puts the position in a nutshell: "Two or three hints from Holland that the Dutch are going to join our enemies and will take their money out of our stocks may also be of service, and I think will easily gain credit, as anything treacherous or base in a Dutchman will be at once believed."

Public opinion in England had not moved far since the days of Marvell and Butler, while in Holland, it was not altogether unrecognised that loans to Britain encouraged the *voorbijlandvaerders* and bilateral traffic in return for a reward of half a per cent commission.⁴ The transition to finance was not, in itself, necessarily harmful: what was serious was the fact that while Amsterdam had been transformed into the financial centre of the world, it had failed to create an impression of real security. Credit banking was by tradition completely decentralised and in the hands of private bankers

¹ van der Kooy, *op. cit.* pp. 101-2.

² H. Sée, *Les Origines du Capitalisme Moderne*, p. 94.

³ P. 357.

⁴ van der Kooy, *op. cit.* pp. 49-50.

and merchants. The Bank of Amsterdam was purely concerned with exchange and specie business, and there was nothing to correspond to the fairly clear line of demarcation which existed between the respectable bankers and the speculators of Change Alley in London, where credit policy was, in the last resort, in the hands of the responsible directorate of the Bank of England. The four most serious crises of the eighteenth century in Holland were connected with Anglo-Dutch trade or finance. That of 1751 was, as the Propositions indicate, largely due to British competition. The crisis of 1763 sprang directly from the collapse of the system by which Britain paid its accounts in Germany, and was aggravated by the heavy investments of the Dutch in British stocks. The crisis of 1773 arose from the attempt of Cliffords and others to corner the market in British East India shares. Finally, in 1781-2, Holland had to rue the fact that she had, for seventy years, given financial support to an economic rival who had suddenly become a political foe. The previous crises had done much to undermine that prestige which is essential for a financial centre, but it was the war of 1780 which was really fatal to the Republic.¹ Even at that date, however, Holland retained the greater part of her colonial trade, and it looks as if the prevailing "financial" mentality had blinded the Government to the dangers of possessing overseas trade and colonies without naval power adequate for their protection.

On the English side, the effects of this transference of Dutch capital are more difficult to assess because they are to some degree imponderable. First, England and Holland had co-operated to perfect a financial and legal system which enabled the man-in-the-street to participate easily and safely in day-to-day investment and speculation in a foreign country. The savings of spinsters, theologians, admirals, civil servants, merchants, professional speculators and the inevitable widows and orphans of Holland had been mobilised for the use of the British Government. It was the first time that ordinary citizens (as distinct from professional financiers like the

¹ Wilson, *op. cit.* p. 127.

Fuggers or the de Geers) had been drawn into international finance on a large scale, and the system was to bear fruit in the nineteenth century. Secondly, the facts of the notarial evidence and of the correspondence of Leeuw, van Hemerts, Neufvilles, van Necks and the rest, together with the opinions of Government advisers like Salvadore and Antony Chamier, confirm de Pinto's estimate of the importance to Britain of Dutch capital, lack of which "would have hindered and enfeebled all her efforts".¹ As it was, Dutch investors and speculators contributed to keep the Funds high, and the services of Dutch bankers were invaluable to the Government for paying its war bills. Thirdly, that migration of people which is usually associated with the migration of capital was represented by the migration to London of a small but important group of Dutch traders and financiers, Christian and Jew, together with some Huguenots who came via Holland, and who in compulsory exile rivalled the Jews in their cosmopolitanism and financial competence. The experience and capital of this group was placed at the service of the British Government, which made use of them in the innermost circles of finance. Such names as van Neck, van Notten, van Mierop, Decker, van Hemert, Muilman Chiswell, Bosanquet, Baring, Dorrien, Haldimand, Ricardo and Goldsmid indicate how intimately the Dutch and Huguenot migrants were connected with the rise of London to financial pre-eminence: while the flight of the Hopes back to London in 1794 links their migration with the decline of Amsterdam. And in more obscure places, in business and Government offices, there were hundreds of others, who gradually merged, like their more famous colleagues, into the fabric of English social life. Lastly, in the present state of our knowledge, we can only hint at the effects of the restriction or withdrawal of this source of foreign credit and its transference to France and the United States after 1780. It is probable that the period of its real necessity was past, but it is noticeable that, in 1782, the Government was borrowing at

¹ p. 78.

home on extremely bad terms: the amount of cash and bullion in the Bank was very low, while for every £100 subscribed, the Government was allotting £100 in three per cents, £50 in four per cents, with an annuity of 17s. 6d. for seventy-eight years, together with Navy and Exchequer Bills.¹ Repayments to Holland probably played their part, together with the drain for heavy payments for the Continental war, in making the rate of exchange increasingly unfavourable, in creating the borrowing conditions which were to give Pitt so much trouble, and in causing cash payments to be suspended. Be that as it may, the war put an end to Britain's financial tutelage to Holland. Ultimately, the results of the war were to lead to the economic re-orientation of the Netherlands under the competent guidance of Willem I.

¹ W. Cunningham, *The Growth of English Industry and Commerce*, III, 693-6.

APPENDIX A

DUTCH FUND HOLDERS IN CHANCERY

Dutch investors occasionally appear in Chancery Proceedings. For example, Susannah Elizabeth van Elsen of the Hague, the widow of one van Claarberger, a merchant, in 1742 had £3500 in the Joint Stock of the Old Annuities of the Governor and Merchants trading to the South Seas. After a second unsuccessful marriage with Casimir Abraham, Count of Slippenbach, whom she divorced, she attempted to realise on her stock, but came into conflict with the Company, who disputed the ownership of the stock, and displayed their books, which showed that van Claarberger had bought the stock from David Backor, David Abarbanel and Isaac Alvares Pereira before 1742. Being satisfied as to the Plaintiff's credentials, the Company expressed itself willing to arrange a transfer of the stock.

(P.R.O. Chancery Proceedings, C. 12. 1143. 13.)

A similar complaint of obstruction was brought against the Bank of England by Messrs van Ceulen and Dirk Lefschier of Amsterdam, the guardians of Jan François Lilaar van Stoutenburg, who had apparently sustained heavy losses in the crisis of 1773, for, with Carel van Notten and Volkert van Jever, he was a Commissioner of the Loan Bank set up as part of the financial reconstruction scheme. Possibly financial worry contributed to his condition in 1789, when "he was unfortunately disordered in his mind as to be a lunatic". The guardians complained that the Bank Authorities refused to pay "a considerable sum of money now due for dividends" or to allow a transfer of the principal (£6000 in 3 % Consolidated Bank Annuities) to them. The Governor and Company replied that they had £270 waiting in dividends, which they were willing to pay or to arrange a transfer as the Court should direct.

(P.R.O. Chancery Proceedings, C. 12. 637. 9.)

APPENDIX B

Procurations prepared at the office of Philip de Marolles, Notary Public at Amsterdam, between 9 January 1720 and 29 October 1723. (Notarieel Archief 7985, 7986, 7987 and 8008.)

Date	Stock	London Attorney	Buyer or Seller in Amsterdam	Procurations to buy	Procurations to sell
1720					
9 Jan.	B.E. S.S.	Henry de Putter Gerard Bolwerk	Gerrit Corver Widow of Cornelis Backer	General —	— General
10 "	Annuities S.S.	" F. & J. van Hemert	John Sautijn Isaac Balde	General "	— —
11 "	Annuities E.I.	Cornelis Backer "	H. van der Spelt "	" "	— —
12 "	S.S.	"	Gratian de Trepsac	"	—
16 "	B.E. S.S.	"	Govert Lups	" "	— —
	B.E.	"	"	"	—
20 "	B.E. E.I.	F. Pereira Sir Matt. Decker	Jacob Abrabanel Coenrad Christoffers	— General	£1000 —
	B.E.	"	"	"	—
	S.S.	"	"	"	—
22 "	B.E.	"	Maria Christoffers	"	—
23 "	S.S.	G. Bolwerk	Henry Pauw	—	£500
24 "	4 % Ann.	"	J. Sautijn	General	—
25 "	B.E.	E. Mendes da Costa	J. Abrabanel	"	—
30 "	E.I.	C. Backer	C. van Brants	"	—
	S.S.	E. M. da Costa	J. Abrabanel	—	General
2 Feb.	E.I.	"	"	General	"
	S.S.	"	"	—	£5000
1 Mar.	S.S.	G. Bolwerk	Gillis Sautijn	—	£2000
	S.S.	Claude Desmartz	Gillette Aubert	General	—
	S.S.	Latane & de Putter	Esaye Gillot	—	£1000
	S.S.	Jacob Rodet	Henry Brequet	—	£300
5 "	B.E.	Miss Margaret Crellius	Melchor de Rufieser	—	£500
	S.S.	H. de Putter	Gerrit Corver	—	£1000
	S.S.	Rodrigo Ximines	Avaro Nunes	General	—
7 "	S.S.	G. Bolwerk	J. van Loon	—	£1000
	B.E.	H. de Putter	Sara Trip	—	£2500
8 "	E.I.	G. Bolwerk	B. van Collen	General	—
	S.S.	"	C. Christoffers	—	£2500
11 "	B.E.	John Bance	Jacques du Peyron	General	—
13 "	S.S.	Ab. Demetrius	Daniel Janszon	—	£1000
15 "	S.S.	G. Bolwerk	J. Coijmaus	—	Ann. of 1708
16 "	B.E.	Peter Simond	Gillis van Eyk	General	—
	B.E.	G. Bolwerk	Arnold van Elst	"	—
	S.S.	Herman & Olimus	Catherina de Meester	—	£1000
	S.S.	G. Bolwerk	Ferd van Collen	—	£1000
	E.I.	"	"	General	—

Date	Stock	London Attorney	Buyer or Seller in Amsterdam	Procurations to buy	Procurations to sell
20 Mar.	Annuities	Miss M. Crellius	M. de Ruuseter	—	£1000
	Lond. Ass.	J. Bance	J. du Peyron	General	—
	E.I.	H. de Putter	Gerrit Corver	"	—
	E.I.	C. Backer	Willem Munter	"	—
	—	C. Desmartz	Gillette Aubert	—	Lottery tickets
"	S.S.	Lionard d'Orville	Dirk Trip	—	£1000
"	—	Abraham & Francis	Michel Slagregen	—	Ann. of 1706
	—	H. Muilman	P. S. Muilman	—	Lottery tickets of 1711
"	S.S.	H. de Putter	Benj. Witheyn	—	£200
	—	"	"	—	Ann. of 1707

(Notarieel Archief 7986: P. de Marolles)

Apr.	S.S.	Sir John Lambert	G. B. van Swieten	General	—
"	S.S.	"	Andrew Pels	"	—
"	S.S.	H. Muilman	P. S. Muilman	—	£1000
"	S.S.	Salomon da Costa	Isaac Rocomora	—	£500
"	S.S.	Joseph Henriques	D. M. Pereira	—	£1500
	S.S.	Gerard van Neck	Ab. R. Winkel	—	£1000
	B.E.	Sir Justus Beck	Daniel Rophoen	General	—
	S.S.	H. de Putter	Joana van Tyë	—	£1000
	E.I.	C. Backer	C. van Brants	—	£6000
	B.E.	L. d'Orville	P. Zoot	General	—
	S.S.	G. Bolwerk	W. Sautijn	—	£2000
	S.S.	"	Elizabeth de Dieu	—	£1030
	S.S.	J. du Pré	Andrew des Obry	—	£428
	S.S.	J. Henriques	Raquel Belmonte	—	£2000
	S.S.	S. de M. Pereira	Jacob de Clares	—	Ann.
	E.I.	Sir Denis du Try	J. du Peyron	General	—
"	S.S.	F. Grimandel	Isaac Danalvy (theologian)	—	£600
"	S.S.	T. Renouard	Jean Franchard	—	£1000
	S.S.	G. Bolwerk	H. Moeus	—	£2000
	S.S.	Sir J. Lambert	M. Troyë	General	—
	S.S.	John Hanbury	John Brown	"	—
	S.S.	C. Backer	Govert Lups	—	£2000
"	S.S.	G. Bolwerk	Sir John Walraven	—	£1000
	B.E.	"	"	General	—
	S.S.	F. & J. van Hemert	P. S. van Ghiessen	"	—
	S.S.	G. Bolwerk	Antony Deutz	—	£1000
	S.S.	"	T. Boendermaecker	—	£1000
	S.S.	"	Susanna Scholten	—	£2000
	S.S.	"	Anna & Antonia	—	£3000
	S.S.	Sir J. Beck	Muyssart	—	—
	S.S.	E. M. da Costa	Moses Abrabanel	—	£1000
	S.S.	G. Bolwerk	Gerbrand Moeus	—	£500
	B.E.	Dorrien & Walters	Cornelia Cocq	General	—
	S.S.	Sir J. Beck	J. Uitenbrock	—	£2000

Date	Stock	London Attorney	Buyer or Seller in Amsterdam	Procurator to buy	Procurator to sell
1720 16 Apr.	S.S.	H. de Putter	Machelina van Theye	—	£1000
	B.E.	G. Bolwerk	J. van Loon	General	—
	S.S.	E. M. da Costa	M. Abrabanel	—	£500
	S.S.	Sir Theodore Janssen	H. Termettsen	—	£6000
	S.S.	G. Bolwerk	J. Sautijn	—	£2000
	S.S.	"	Jan Bolde	—	£1000
	S.S.	Sir J. Lambert	G. B. van Swieten	—	£500
	S.S.	Jacob Pimantel	Gil Lopez Pinto	—	£500
	S.S.	H. de Putter	Gerrit Corver	—	£1500
	S.S.	Jacob & Paul Jordis	J. du Faij	General	—
	S.S.	"	"	—	£1000
	S.S.	G. Bolwerk	Coenrad Christoffers	—	£2000
	S.S.	Isaac Peixotta	A. Akersloot	General	—
	S.S.	H. de Putter	G. Corver	—	£1000
18 "	S.S.	J. d'Orville	Joanna Hatting	—	£500
19 "	S.S.	G. Bolwerk	Theodore de Leeuw	—	£1000
	S.S.	"	G. B. van Swieten	—	£500
	S.S.	J. Henriques	A. de J. M. da Costa	—	£500
22 "	S.S.	C. Backer	René de Vicq	General	—
	S.S.	G. Bolwerk	H. Laren	,	—
	E.I.	"	Peter Hugueta	"	—
	S.S.	C. Backer	G. de Trepsac	—	£2000
	S.S.	H. de Putter	J. & C. Delbecq	5 % Ann.	—
23 "	B.E.	L. d'Orville	Fr. van Harencarspel	General	—
25 "	B.E.	Peter Crellius	Josina van Loon	—	£500
29 "	S.S.	G. Bolwerk	T. de Leeuw	—	£1000
30 "	S.S.	Stephen Benezet	Gertruyd Slicker	—	Ann. of
	S.S.	Sir Jacob & Theodore Jacobsen	Adrian Pels	—	1694
	S.S.	G. Bolwerk	C. Christoffers	—	£2000
	B.E.	"	J. Sautijn	General	—
1 May	S.S.	"	Sir J. Walraven	—	£1000
	B.E.	Sir J. Beck	Ab. Muysart	—	£2000
2 "	S.S.	Isaac Martins	Manuel Teixeira	—	£3380
	S.S.	F. Pereira	I. H. Abrabanel	—	£1000
	S.S.	G. van Neck	Ab. Ronswinkel	—	£1000
3 "	S.S.	Charles Boulengier	A. de Runselor	—	£500
	S.S.	C. & J. Backer	Christoffer Brants	—	£2500
	B.E.	"	"	—	£2000
	S.S.	Lewis la Conde	Henry Beln & Daniel van Hamel	—	£1000
	S.S.	Sir J. & T. Jacobsen	Jacob van Lennep	—	£4500
	S.S.	"	Cornelia de Veer	—	£100
	S.S.	E. M. da Costa	M. Abrabanel	—	£2000
	S.S.	Sir J. Beck	J. Uitenbrock	—	£2000
	S.S.	G. Bolwerk	Gillis Graafland	General	—
	B.E.	J. & I. Sequeira	Isaac Texera de Mattos	To receive dividends	—
	S.S.	J. d'Orville	P. Calkoen	—	£500
	S.S.	G. Bolwerk	J. E. Huyde Koper	—	£2000
6 "	S.S.	John Emmett	Peter Eyghels	General	—
	B.E.	G. Bolwerk	Jacoba Volkenier	—	£2500
	E.I.	"	Jacoba Graafland	—	£1500

Date	Stock	London Attorney	Buyer or Seller in Amsterdam	Procurations to buy	Procurations to sell
1720 6 May	B.E.	Lewis Johnson	Ab. Ronswinkel	—	£2000
	S.S.	G. Bolwerk	Th. de Leeuw	—	£2000
	S.S.	"	G. Moens	—	£500
7 "	S.S.	R. Ximenes	Alvaro Nunes da Costa	—	£5000
	S.S.	G. Bolwerk	Sara Trellius	—	£2000
	B.E.	Samuel Sheafe	Gysbert de Lange	—	£1000
	S.S.	"	"	General	—
	S.S.	Sir John Williams	Robert Malbrancq	—	£2000
	B.E.	"	"	General	—
	B.E.	C. Backer	G. de Trepsas	—	£2000
	S.S.	G. Bolwerk	Sir J. Walraven	—	£1000
	E.I.	"	"	General	—
	B.E.	L. d'Orville	John Trip	"	—
	B.E.	G. Bolwerk	D. van de Lip	"	—
	S.S.	"	A. Becker	"	—
	B.E.	"	"	—	£2000
	S.S.	"	Susanna Scholten	—	£2000
	S.S.	S. Sheafe	Gysbert Heykoop	—	£500
10 May	B.E.	P. van der Ende	Adriana Dorsman	General	—
	S.S.	G. Bolwerk	Jacoba Valckenier	"	—
	S.S.	Sir T. Janssen	Henry Termettsen	—	£8600
	S.S.	E. M. da Costa	Moses Abrabanel	—	£1000
	B.E.	G. Bolwerk	B. van Collen	—	£1000
	S.S.	I. Martins	Ruben Henriques	—	£1000
	B.E.	"	"	General	—
	S.S.	S. da Costa	Isaac Rocomora	—	£500
14 "	S.S.	Isaac Bulsingh	Maria Boreel	Convert	—
	S.S.	Abraham & Francis Crayesteyn	Prima van Woensel	Ann. 1706	—
	S.S.	"	Maria Crayesteyn	"	—
	S.S.	"	Isaac Crayesteyn	"	—
	S.S.	"	Isaac van Hoven	"	—
	S.S.	John de Virly	Elic Lombart	—	£1000
	E.I.	G. Bolwerk	Gillis Sautijn	Convert	—
	S.S.	C. Backer	W. B. Dirckerz	Ann. 1760	—
	S.S.	J. Henriques	Jacob Daveiga	"	—
	S.S.	"	Francisco Duarbe	Convert	—
	S.S.	Jacob Pimantel	Gil Pinto	Excheq. and Ann.	—
	E.I.	E. M. da Costa	Moses Abrabanel	"	£1000
	S.S.	Isaac Aufrère	Marianne de Gastine	Buy	—
	B.E.	Cornelis Backer	Christoffel van Brants	Convert	—
	S.S.	John de Zillieux	Ann Renouard	Ann. 1700	—

Date	Stock	London Attorney	Buyer or Seller in Amsterdam	Procurations to buy	Procurations to sell
(Notarieel Archief 7987)					
1720 4 June	B.E.	J. L. d'Orville	John Trip	—	£2000
	B.E.	H. de Putter	Sarah Trip	Buy	—
	B.E.	G. Bolwerk	Sarah Trellens	—	£2000
	B.E.	H. D. Putter	Gerrit Corver	—	£1000
	B.E.	G. Bolwerk	Sarah Lost	Buy	—
	Million Bank Annuities	P. Crellius	M. Ruaischer	—	£700
		"	"	—	Ann. 1710
	Annuities	C. Bollengier	"	—	Ann. 1703
	S.S.	Christoffer Schele	Jacob Loten	—	£3000
	S.S.	"	"	Buy	—
	Lond. Ass.	J. Bance	"	"	—
	S.S.	G. van Neck	Olimpe Vernet	—	£500
	Lond. Ass.	"	R. Stapel	Buy	—
	S.S. "	J. Emmett	J. Loten	—	£1000
	S.S.	Isaac Desbordes	H. Desbordes	Convert Excheq. and Ann.	—
7 "	S.S.	G. Roeters	G. Colonius	Do. 1707	—
	S.S.	Duprat du Chameau	Elie Augier	Do. 1707	—
	S.S.	A. & F. Crayesteyn	M. Slagregen	Do. 1706	—
	S.S.	C. & J. Backer	W. Boreel	—	£1000
	S.S.	H. de Putter	H. Cliquet	Buy	—
	S.S.	J. de Coussemaker	Isaac Kops	Convert Ann.	—
	B.E.	A. F. Pigou	Jeanne du Carel	—	£6000
	S.S.	"	"	—	£6000
	E.I.	"	"	—	£6000
10 "	S.S.	Abraham Meer	—	—	General
	Lond. Ass.	Francis Crayesteyn	Abraham Crayesteyn	—	£1000
	B.E.	"	"	—	£4500
11 "	E.I.	G. Bolwerk	J. Sautijn	Convert Ann.	—
	S.S.	Sir J. Lambert	Andrew Pels	—	£10,000
	B.E.	G. Bolwerk	D. van der Lip	—	£500
	S.S.	"	John Balde	—	£1000
	S.S.	E. M. da Costa	J. Abrabanel	Convert Ann.	—
14 "	S.S.	H. de Putter	Joanna van Kattenburg	Convert Ann. 1707	—
	S.S.	Sir J. Beck	Peter Lalle	Convert Excheq. and Ann.	—
	B.E.	F. Dorrien	P. de l'Espaul	Buy	—
	S.S.	A. & F. Crayesteyn	A. Bitter	"	—
	S.S.	G. Bolwerk	J. Balde	"	—
	S.S.	J. Emmett	P. Eyghel	—	£2000
	S.S.	G. Bolwerk	Susanna Scholten	Buy	—
	S.S.	"	G. van der Bogard	—	£500

Date	Stock	London Attorney	Buyer or Seller in Amsterdam	Procurations to buy	Procurations to sell
1720 18 June	E.I. S.S.	J. & C. Backer "	J. de Bruijn Margaretha Harencarspel	Buy —	— £1000
	E.I. B.E.	G. Bolwerk Sir J. Beck	Peter Huguet G. Hoogt	— Buy	£1000 —
	E.I. S.S.	A. de Costa J. Pimantel	G. van Hoven Jacob de Chaves	— —	£1000 £500
	S.S. B.E.	J. & C. Backer I. Bulsingh	G. de Trepsac W. Deutz	— Buy	£2000 —
	S.S.	J. de Zillieux	Andrew Roy	Convert Excheq. and Ann.	—
	S.S.	G. Bolwerk	C. Christoffers	Buy	—
	S.S.	John Furley	Joanna Witheyn	Convert Excheq. and Ann.	—
	B.E. S.S.	W. Maller Ab. Henckell	Allard de la Court John Baumann	Buy "	— —
	B.E. S.S.	" Sir P. Delme	" H. Suyt	" "	— —
19 "	S.S.	Daniel Balcquerie	Sir Denis Dutry	Convert Excheq. and Ann.	—
20 "	S.S.	J. Roberthon	H. Termettsen	Buy	—
	B.E.	R. Merry & Co.	Pedro Schiltover	"	—
21 "	Annuities S.S.	H. de Putter G. Bolwerk	J. Witheyn Margaretha Harencarspel	— £8500	General —
	S.S.	"	"	—	£2000
	S.S.	"	"	—	£500
	S.S.	"	"	—	£1500
	S.S.	S. Sheafe	G. de Lange	—	£500
	B.E.	G. Bolwerk	J. Sautijn	—	£500
	S.S.	F. Pereira	P. Geelssand	—	£2000
	S.S.	"	"	Buy	—
	S.S.	G. Bolwerk	Jacob Loten	—	£500
	S.S.	"	G. Moens	—	£500
	S.S.	"	I. Engels	—	£1000
	S.S. Lond. Ass.	A. & F. Crayesteyn du Fresnay & Goussens	Marie Martinière	—	Lottery Ann.
25 "	S.S.	J. & C. Backer	M. Harencarspel	—	£4000
	S.S.	J. Cock	J. van Oosterwijck	—	£500
	S.S.	Sir P. Meijer	F. Balde	Buy	—
	S.S.	R. Ximenes	P. van der Ghiessen	—	£1000
	S.S.	J. Emmett	P. Eyghels	—	£1000
	S.S.	H. de Putter	H. Cliquet	—	£1000
	S.S.	G. Bolwerk	G. Moens	—	£800
	B.E.	"	G. Verspoorten	Buy	—
27 "	B.E.	"	Elizabeth Cardell	Convert	—
28 "	S.S.	Isaac Berthon		Ann. 1695	—
	S.S.	J. & C. Backer	M. Harencarspel	—	£1000
	S.S.	G. Bolwerk	"	—	£4500
	S.S.	J. & C. Backer	"	—	£4000

Date	Stock	London Attorney	Buyer or Seller in Amsterdam	Procurations to buy	Procurations to sell
1720					
28 June	S.S.	J. & C. Backer	M. Harencarspel	—	£1500
	S.S.	Sir J. Jacobsen	Adria van der Cruys	—	General
1 Aug.	B.E.	G. Bolwerk	C. Christoffers	—	£3000
	B.E.	"	J. van Loon	—	£1000
2 "	B.E.	"	A. Bitter	Buy	—
	B.E.	F. Dorrien	C. Cocq	—	£1000
	B.E.	L. Johnson	Abr. Romswinkel	—	£1000
	S.S.	"	"	£1000	—
	B.E.	G. Bolwerk	Anna Christophers	—	£1000
	E.I.	P. Testas	Isaac Conderé	—	£500
6 "	S.S.	G. van Neck	O. Vernet	—	£500
	S.S.	G. Bolwerk	G. van der Bogard	Buy	—
	E.I.	I. Peixotto	P. Huguet	"	—
	E.I.	J. Pimantel	R. Abencar	"	—
	B.E.	G. Bolwerk	T. Christoffers	—	General
	B.E.	J. Herman	"	—	"
	E.I.	G. Bolwerk	Anna Christoffers	Buy	—
	B.E.	"	Elizabeth de Dieu	—	General
	E.I.	F. van Hemert	Abr. Bols	Buy	—
	E.I.	G. Bolwerk	John Bolde	—	£7000
	Lot. Ann.	I. Martins	Ribica Henriques	—	£600
9 "	E.I.	J. & C. Backer	J. de Bruijn	—	£1000
	B.E.	G. Bolwerk	H. Termetsen	—	£1500
	E.I.	"	"	—	£2000
	B.E.	"	J. van der Ende	—	£500
	S.S.	J. L. d'Orville	P. Calkoen	—	£500

Notarial Procurations illustrating the resumption of speculation by Dutch capitalists after the South Sea Bubble (1723). (Notarieel Archief 8008: P. de Marolles.)

Date	Stock	London Attorney	Buyer or Seller in Amsterdam	Procurations to buy	Procurations to sell
1723					
1 Oct.	S.S.	—	—	—	—
	Annuities	H. Muilman	Daniel Kick	General	—
4 "	"	"	Paul Mesplet	"	—
	"	C. & J. Backer	Willem Backer	"	—
	"	H. Muilman	John Sautijn	"	—
5 "	"	F. Pereira	Elizabeth Trellens	—	General
	"	F. & J. van Hemert	J. van Droogenhorst	General	—
12 "	"	J. Herman	Jean Franchard	"	—
15 "	B.E.	P. de Harel	J. Abrahanson	—	£2000
18 "	S.S.	—	—	—	—
	Annuities	H. Muilman	Gillis Graafland	General	—
	"	G. Bolwerk	Sir J. Walraven	—	—
	"	C. & J. Backer	Abr. Muysart	"	—

Date	Stock	London Attorney	Buyer or Seller in Amsterdam	Procurations to buy	Procurations to sell
1723					
18 Oct.	Annuities	Bartholomew Burton ¹	L. van Son	General	—
19 "	"	"	Antony Deutz	"	—
20 "	S.S.	"	"	"	—
20 "	S.S.	—	—	—	—
26 "	Annuities	J. Pimantel	Isaac de Meza	"	—
26 "	"	Edward Browne	F. de Roy	"	—
26 "	"	J. M. da Costa	I. F. Mendes	"	—
26 "	"	Gideon Leglise	Daniel Cormier	"	—
26 "	"	Gilbert de Flines ²	David de Leeuw	"	—
26 "	"	H. Muilman	B. van Collen	"	—
26 "	"	Jacob da Costa	R. M. da Costa	—	£2603
26 "	"	G. van Neck	Abr. Romswinckel	General	—
26 "	"	S. Ruion & J. H. Guinand	J. Mesplet	"	—
26 "	B.E.	I. Martins	J. Henriques	Buy	—
26 "	S.S.	—	—	—	—
27 "	Annuities	G. van Neck	O. Vernet	Buy	—
27 "	"	C. & J. Backer	Willem Munter	"	—
27 "	"	"	Maria Piso	"	—
27 "	"	G. van Neck	Ester Mazeick	"	—
28 "	"	"	Govert Lups	"	—
28 "	S.S.	—	—	—	—
28 "	Annuities	J. & E. Emmett	Sabina d'Acquet	Buy	—
28 "	"	Alexander Sheafe	G. de Lange	"	—
29 "	"	H. Muilman	D. Meulenaer	"	—
29 "	S.S.	"	"	"	—
29 "	S.S.	—	—	"	—
29 "	Annuities	"	F. van Collen	"	—
12 Nov.	E.I.	J. & C. Backer	Leon de Morac (executor for G. de Trepsac)	To receive dividends	—
12 Nov.	B.E.				—
12 Nov.	S.S.				—
12 Nov.	S.S.				—
12 Nov.	Annuities	—	—	—	—
12 Nov.	S.S.	—	—	—	—
12 Nov.	Annuities	Willem I. Kops	Aron Bosch	Buy	—

¹ Director and, in 1759, Deputy-Governor of the Bank of England (Namier, *op. cit.* 1, 67).

² See *supra*, p. 129 et seq.

APPENDIX C

Notarial Procurations showing the revival of interest in British East India Stock as an object of speculation. (Notarieel Archief 10,561: van der Brink.)

Date	Stock	London Attorney	Buyer or Seller in Amsterdam	Procurations to buy	Procurations to sell
1766 12 Nov.	E.I.	P. & R. Muilman	Zacharia Alewyn (Lord of Mynder)	General	—
	Annuities	"	"	—	General
	4 %	"	"	"	—
	S.S.	"	"	"	—
	B.E.	"	"	"	—
13 "	E.I.	"	Baudoin Hulft (magistrate)	—	General
	E.I.	G. Capadose	David Pereira	—	"
	E.I.	"	Hermina van Ghesel	General	—
14 "	E.I.	Gurnell, Hoare & Harman	Ab. Bredius	"	—
	S.S.	Jacob Barsilay	David Jesurum	—	General
	S.S.	H. M. da Costa	David Isaaczoon	—	"
	4 %	P. & R. Muilman	Cornelis Schryver	—	"
	E.I.	P. & C. van Notten	Deacons of Dutch Reformed Church, Amsterdam	—	"
	E.I.	Antoine & Jean André	Balthasarina Charonne	General	—
	E.I.	"	Joannes Cornelis	"	—
	E.I.	"	Lucas Conynberg	"	—
	3½ %	Ab. Levy	Isaac Levy	—	General
	3 %	G. & P. Clifford Jansz ¹	Capt. Pieter Reynst	—	"
17 "	S.S.	H. M. da Costa	Ab. M. da Costa	—	"
	3 %	"	Aron Cardoso	—	"
	3 %	Ab. Capadose	Aron Fonseca	—	"
	4 %	P. & R. Muilman	Dionis Muilman	—	"
	4 %	Ab. Ximenes	David Levy	—	"
	E.I.	"	"	General	—
	B.E.	P. & R. Muilman	J. F. Bachman	—	General
	E.I.	R. Bosanquet & David Fatio	"	General	—
	S.S.	G. & P. Clifford Jansz	J. van der Poll	"	—
	E.I.	P. & C. van Notten	Jeudah de Prado	"	—
	B.E.	W. Hodshon	John Hodshon	—	General
	4 %	"	"	—	"
	S.S.	H. M. da Costa	Raphael M. da Costa	—	£8500 Sells
	E.I.	"	"	—	"
	B.E.	Philip de la Haize & W. Dench	W. Vos	—	"
	S.S.	G. & P. Clifford Jansz	Capt. W. Huyghens	General	—

¹ This was Clifford's London branch house.

Date	Stock	London Attorney	Buyer or Seller in Amsterdam	Procura- tion to buy	Procura- tion to sell
1766					
17 Nov.	B.E.	G. Capadose	Aron Capadose	—	Sells
18 „	E.I.	W. Mainwaring & John Reesen	B. Jonsser	General	—
	B.E.	„	„	—	Sells
	E.I.	„	Capt. N. de Beer	General	—
	E.I.	H. M. da Costa	David Machorro	„	—
	E.I.	P. Stapel	Frans Bosboom	—	Sells
	E.I.	G. & P. Clifford Jansz	Jan Clifford	—	„
	E.I.	H. M. da Costa	Jacob de Medina	General	—
	E.I.	G. & P. Clifford Jansz	Nicolaas de Jonge	—	Sells
9 Dec.	B.E.	Willem van Hemert & Dirk Lutkeman	J. Kuyck van Mierop	General	—
	4 %	„	„	„	—
	3 %	„	„	„	—

APPENDIX D

Procurations prepared at the Amsterdam office of Daniel van der Brink, Notary Public, for sales or purchases of British Securities during the crisis period 1772-3. (Notarieel Archief 10,602-6: van der Brink.)

Date	Stock	London Attorney	Buyer or Seller in Amsterdam	Procurations to buy	Procurations to sell
1772 1 Dec.	E.I.	G. Clifford Jansz	J. F. Bachman	—	General
	E.I.	Berens Bros.	J. de Jonge	—	"
	E.I.	G. C. Jansz	J. F. Bachman	General	—
	E.I.	Honorius Combault	M. Broen	"	—
3 "	3 % Ann.	van Hemert & Backus	Antony van Hemert } ¹	—	General
	S.S. Ann.	"	"	—	"
	B.E.	"	"	—	"
	E.I.	John Wilkinson	Anna van Oostrum	—	£1000
" "	S.S.	van Hemert & Backus	Jacob de Neufville van Lennep	£3300	—
	3 % Ann.	—	—	£5000	—
	B.E.	—	—	£23,500	—
	E.I.	G. C. Jansz	Isaac da Fonseca	General	—
	B.E.	"	"	"	—
	S.E.	"	"	"	—
	E.I.	Joseph Saportas	Samuel Saportas	"	—
6 "	E.I.	Ed. van Harthals	Willem Barel	"	—
8 "	E.I.	G. C. Jansz	A. J. Bierens	—	General
" "	E.I.	George Capadose	Elizah Davidsz	—	General
	E.I.	"	Isaac & Joseph van David da Costa	—	"
	E.I.	Samuel, Hoare & Harman	Pieter Croos	—	"
	E.I.	"	"	—	"
11 "	B.E.	Elias Lindo	Isaac Henriques	—	"
12 "	3 %	G. C. Jansz	W. van Duyn	General	—
14 "	E.I.	Stapel, Doxe, Meilan	Gysbert Stapert	"	—
	B.E.	Berens Bros.	Margareta de Wit	"	—
	4 %	G. C. Jansz	Marg. Theronde	—	General
	3 %	"	Stephania du Peyron	General	—
	B.E.	"	Jacoba van der Meret	"	—
	Million Bank	"	"	"	—
	B.E.	"	"	"	—
	E.I.	"	"	"	—
	S.S.	"	"	"	—
	4 %	"	Catherina Bouwens	"	—
	3 %	"	"	"	—
	S.S.	"	"	"	—
	Million Bank	"	"	"	—

¹ These were bought by Arnoud de l'Hommel de Jonge, Jan van Dilsen, Bernard and Adrian van Conwenhoeven, Franz van Hemert, Willem van Hemert and Susanna Christian van Hemert.

Date	Stock	London Attorney	Buyer or Seller in Amsterdam	Procura- tion to buy	Procura- tion to sell
1772 18 Dec.	3 %	Diederick Hane	Adrian van der Hoop	—	General
	4 %	van Hemert & Backus	David Longueville	—	"
	4 %	"	"	General	—
	S.S.	H. M. da Costa	Isaac da Costa	—	General
21 "	S.S.	van Hemert & Backus	Daniel Varlet	General	—
	3 %	"	"	"	—
22 "	S.S.	Vidal & Tutet	Daniel Valquerie & Willem Backer	"	—
	E.I.	van Hemert & Backus	David ten Hove	£10,500	—
	4 %	Timothy Nucella	Maria, wife of W. Clifford	General	—
	B.E.	"	"	"	—
	S.S.	"	"	"	—
	3 %	"	"	"	—
	E.I.	"	"	"	—
	3 %	Isaac Levy	Isaac & Samuel Israel	—	General
	3 %	Messrs Rucker	J. van der Poll	General	—
	S.S.	Vidal & Tutet	Maria Ryswick	"	—
23 "	4 %	Ab. de Crasto	Gerrit van der Ende	—	General
	3 %	G. C. Jansz	Maria van Wylick	General	—
	3 %	"	"	"	—
	4 %	"	"	"	—
	3 %	"	J. van Ernst	"	—
	3 %	"	"	"	—
29 "	3 %	van Neck & Oliver	Elizabeth van Waveren	"	—
	4 %	"	"	"	—
	E.I.	"	"	"	—
	B.E.	"	"	"	—
	3 %	Berens & Co.	Hendrik G. Rynst	"	—
	E.I.	"	"	"	—
	B.E.	Muilman Chiswell	Jan Molenius	"	—
	E.I.	van Notten & Co.	Jan Upwich	"	—
	3 %	"	"	"	—
	3 %	Berens & Co.	Jan Henryzoon	"	—
	S.S.	Ed. van Harthals	Nicolaas Taas (Magis- trate of Amsterdam)	"	—
	B.E.	"	"	"	—
	3 %	"	"	"	—
	E.I.	"	"	"	—
	4 %	Berens & Co.	E. van der Poll	"	—
	3 %	"	"	"	—
	B.E.	"	"	"	—
	E.I.	"	"	"	—
	S.S.	"	"	"	—
	3 %	Sir Joshua van Neck, Joshua van Neck Jnr. & Daniel Oliver	Stephania Dupeyron	General	—
	B.E.	—	—	"	—
	3 %	Muilman Chiswell	Margareta Santijn	"	—
	B.E.	"	"	"	—
	S.S.	"	"	"	—
	S.S. Ann.	Messrs Grote	Wilhelmina Hoseley	"	—
1 "	E.I.	Nucella & Bolwerk	Frans Tayspiel	"	—

Date	Stock	London Attorney	Buyer or Seller in Amsterdam	Procura- tion to buy	Procura- tion to sell	
1772 31 Dec.	{ 3 % B.E.	van Neck & Oliver	Gerard Munter	General	—	
		"	"		—	
	{ E.I.	"	"		—	
	3 %	Muilman Chiswell	Herman van Ghesel- (magistrate)		"	—
	S.S. Ann.	van Hemert & Backus	Hendrina Onversaagt (spinster)		"	—
	{ 3 % B.E.	van Neck & Oliver	—		"	—
			Helena van Haren- carspel (spinster)		"	—
	{ S.S.	"	"		"	—
	{ E.I.	"	"		"	—
	S.S.	Muilman Chiswell	Martinus Alewyn		"	—
	3 %	"	"		"	—
	4 %	"	"		"	—
	E.I.	van Hemert & Backus	Pieter Elias		"	—
	{ 3 %	Muilman Chiswell	Pieter Testart (one of the Secretaries of Amsterdam)		"	—
			"		"	—
	{ E.I.	"	"		"	—
	{ S.S.	"	"		"	—
	{ S.S.	"	Jacoba van Ghesel (widow)		"	—
	{ B.E.	"	"		"	—
	{ E.I.	"	"		"	—
	Million Bank	"	"		"	—
	E.I.	Nucella & Bolwerk	Sophia van der Meulen (widow)		"	—
E.I.	van Hemert & Backus	Willem van Hemert	"	—		
(Notarieel Archief 10,603)						
1773 1 Jan.	{ B.E.	Muilman Chiswell	W. van Heemskerck (Burgomaster and Councillor of Amsterdam)	"	—	
			"		"	—
	{ 4 %	"	"	"	—	
	{ 3 %	"	"	"	—	
	{ S.S.	"	"	"	—	
	{ 4 %	Aaron Norden	J. Elias Levy	—	General	
	{ 3 %	"	"	—	"	
	{ 3 %	Pierre Simond & John Hanky	J. van Herzeele	General	—	
	{ E.I.	"	"	"	—	
	{ S.S.	Muilman Chiswell	Nicolaas Muilman (Burgomaster and Magistrate of Amsterdam)	General	—	
	{ 4 %	"	"	"	—	
	{ 3 %	"	"	"	—	
{ E.I.	"	"	"	—		

Date	Stock	London Attorney	Buyer or Seller in Amsterdam	Procura- tion to buy	Procura- tion to sell
1773 1 Jan.	3 % 3 %	Muilman Chiswell van Notten & Woesthoeven Muilman Chiswell	Nicolaas Muilman Pieter Rendorp	— General	£10,000 —
	{ E.I. S.S. B.E.	"	W. van Heemskerck	"	—
	{ E.I. S.S.	"	"	"	—
	{ E.I. S.S.	"	Elizabeth van Stryen	"	—
		"	Jacobus van der Poll (Director of Dutch E.I. Co.)	"	—
	3 % E.I.	Ed. van Harthals Martin Kuyck van Mierop (Chairman of Lloyds)	Quiryn Stryen W. Theodore Huyghens (Rear- Admiral)	"	—
6 "	{ 4 % S.S.	"	"	"	—
	{ S.S. E.I.	van Neck & Oliver	Elizabeth van Stryen	"	—
	{ B.E.	"	"	"	—
7 "	{ 3 % 3 %	Muilman Chiswell Simond & Hanky	Adrian van Dyk Rt. Hon. Adrian Pompeus, Baron of Leyden, Lord of Hardingbeld	"	—
	{ S.S.	"	"	"	—
	{ S.S.	Berens Bros.	Egidius van der Poll	"	—
	{ B.E.	"	"	"	—
8 "	{ 3 % E.I.	van Hemert & Backus van Notten & Woesthoven	Gerard Beeldsynder Franc van der Goes	"	—
	{ S.S.	"	"	—	"
	{ B.E.	"	"	—	"
	{ 3 %	van Neck & Oliver	Sara de Jonge (wife of the Noble and Awful Salomon de Jonge, Captain)	—	"
	{ 3 % S.S.	van Notten & Co.	"	General	—
	{ S.S.	"	"	"	—
	{ E.I.	"	"	"	—
	{ E.I.	van Neck & Oliver	"	"	—
	{ 3 % S.S.	"	"	"	—
	{ S.S.	James des Cotes van Neck & Oliver	Jacoba Bouwens Jan Bouwens of Delft, Lord of Horssen	"	—
	{ B.E.	"	"	"	—
9 "	{ 3 % Million Bank	van Notten & Co.	Joachim van Rendorp (Magistrate of Am- sterdam, Lord of Marquette)	"	—
	{ E.I.	"	"	"	—
	{ B.E.	"	"	"	—
	{ 4 %	"	"	"	—

Date	Stock	London Attorney	Buyer or Seller in Amsterdam	Procura- tion to buy	Procura- tion to sell
1773 9 Jan.	S.S.	van Notten & Co.	Joachin van Rendorp	General	—
	Old S.S.	"	"	"	—
	Ann.	"	"	"	—
	3 %	"	"	"	—
11 "	B.E.	Berens & Co.	Pieter Croos	"	—
	E.I.	"	"	"	—
	E.I.	Voorst & Boon	Anna Pels	"	—
	S.S.	"	"	"	—
	B.E.	"	"	"	—
	3 %	"	"	"	—
	Lond. Ass.	"	"	"	—
	Royal Exc.	"	"	"	—
	Ass.	"	"	"	—
12 "	B.E.	"	Aron Cardoso	"	—
	S.S.	"	"	"	—
	S.S. Ann.	—	—	—	—
	4 %	Muilman Chiswell	Ferd. van Collen, Lord of Gunter- steyn	"	—
	S.S.	"	—	"	—
	3 %	"	Ferd. van Collen, Lord of Gunter- steyn	"	—
	B.E.	"	"	"	—
	E.I.	"	"	"	—
	Million Bank	"	"	"	—
	3 % red.	"	"	"	—
	S.S.	Voorst & Boon	F. van Collen Jnr.	"	—
	3 %	"	"	"	—
	E.I.	Ab. de Crasto	Isaac da Fonseca	"	—
	S.S.	"	"	"	—
	B.E.	"	"	"	—
13 "	E.I.	Muilman Chiswell	F. Bachman	"	—
	3 %	Voorst & Boon	Anna & Veronica Gewin (spinsters)	"	—
	3 % red.	"	"	"	—
	Old S.S.	Berens & Co.	B. van Meteren	"	—
	Ann.	"	"	"	—
	New S.S.	"	"	"	—
	Ann.	"	"	"	—
	Lond. Ass.	Voorst & Boon	Jacob Boreel Jansz, Councillor, Advocaat and Attorney-General of Noble and Mighty Colleges of Admiralty	"	—
14 "	E.I.	Ab. Levy Ximenes	Ab. Lopez Pereira	"	—
	3 %	Muilman Chiswell	Abenater Aboab & Osorio	"	—
	S.S.	Jacob Jesurim Barzelay	Judith de Mera Salomons	"	—
	S.S. Ann.	"	"	"	—
	3 %	Stapel, Coxé & Meilan	Widow of R. Bouwens	"	—

Date	Stock	London Attorney	Buyer or Seller in Amsterdam	Procura- tion to buy	Procura- tion to sell
1773 14 Jan.	S.S. Million Bank	Stapel, Cox & Meilan	Widow of R. Bouwens	General	—
	4 % E.I.	"	"	"	—
		van Hemert & Backus	Widow of Dirk Hartogen	"	—
15 "	3 %	Ab. Pereira & Daniel de Crasto	Ab. de M. da Costa	"	—
	S.S. Equivalent Co.	Voorst & Boon	Ab. Calkoen (Bailiff of Amsterdam)	"	—
	New S.S. Ann.	"	"	—	—
	3 % Million Bank	"	Wife of Ab. Calkoen	General	—
	S.S. Ann.	"	"	"	—
	3 %	"	Balthasar Deusser	"	—
	4 %	van Hemert & Backus	Francis van Hemert	"	—
	3 %	Voorst & Boon	"	"	—
	S.S.	Pereira & de Crasto	Jacob de Moses Mendes da Costa	"	—
	E.I.	"	"	"	—
	S.S.	"	R. da Costa	"	—
	E.I.	"	A. & R. M. da Costa	"	—
	B.E.	"	"	"	—
	S.S.	"	"	"	—
	E.I.	"	"	"	—
	B.E.	"	"	"	—
	S.S.	"	"	"	—
	E.I.	"	"	"	—
	S.S.	"	R. de Mendes da Costa	"	—
	E.I.	"	"	"	—
	S.S.	"	Sara Mendes da Bueno	"	—
	B.E.	"	"	"	—
	E.I.	"	"	"	—
	4 %	van Hemert & Backus	Baron von Gersdorff	—	Sell £6000
16 "	3 %	Voorst & Boon	A. M. Temminck	General	—
18 "	E.I.	Pereira & de Crasto	D. de A. Fernandes	"	—
	S.S.	"	"	"	—
	E.I.	"	David Machorro	"	—
	S.S.	D. J. Hane	H. Borghorst	—	£400
	E.I.	Voorst & Boon	J. Versteegh	General	—
	S.S.	"	"	"	—
	S.S.	van Notten & Woesthoven	M. W. Antonisz (magistrate)	"	—
	S.S.	Pereira & de Crasto	Mordochay Fernandes	"	—
	3 %	Muilman Chiswell	Widow of J. Boskoop	"	—
	3 %	George Capadose	David Azebi	"	—
	S.S.	"	"	"	—
19 "	B.E.	Isaac Ximenes	Diego X. Pereira	—	£200
	E.I.	Jacob Jesurum	David Jesurum	—	General

Date	Stock	London Attorney	Buyer or Seller in Amsterdam	Procura- tion to buy	Procura- tion to sell
1773 19 Jan.	3 % B.E.	Stapel, Cox & Meilan	Daniel Bouwens	General	—
	E.I.	"	"	"	—
	S.S.	"	"	"	—
	3 % red.	van Neck & Oliver	G. & W. Munter	"	—
	E.I.	"	"	"	—
	S.S.	"	"	"	—
	3 %	"	"	"	—
	B.E.	"	"	"	—
	3 %	Samuel, Hoare & Harman	E. J. & M. J. Moses	"	—
	E.I.	Muilman Chiswell	J. Marselis & P. Reynst	"	—
	4 %	"	Jan Lamber	—	General
	B.E.	van Neck & Oliver	Jacob Guillot	—	"
	S.S.	van Hemert & Backus	W. Backor (magistrate)	"	—
	E.I.	Ab. de Crasto	Ab. Dias Gutierrez	"	—
	E.I.	"	"	—	General
20 "	E.I.	E. & T. F. Forster	Maria Bruijn	General	—
22 "	S.S.	Muilman Chiswell	Anna van Ghesel	"	—
	3 %	"	"	"	—
	S.S. Ann.	"	"	"	—
	3 %	Timothy Nucella	Maria Alewyn (widow of Willem Clifford)	General	—
	3 %	Messrs Coussemakers	Eliza Verhammel	—	General
	E.I.	van Hemert & Backus	Jacob Muhl	General	—
	E.I.	Stapel, Cox & Meilan	Lodewyk Hovy	—	General
25 "	4 %	van Notten & Woesthoven	Albertus Schuyt	General	—
	S.S.	"	"	"	—
	E.I.	"	"	"	—
	B.E.	Voorst & Boon	Adriaan de Held (Minister of Re- formed Church)	"	—
	E.I.	"	"	"	—
	S.S.	"	"	"	—
26 "	E.I.	van Notten & Woesthoven	Jan Ten Broeke	"	—
	3 %	"	Maria van Wylick	"	—
	3 %	Pereira & de Crasto	Isaac Torres	"	—
	4 %	E. F. Marquez	Jacob Dandrade	"	—
	E.I.	Grote & Grote	Klaas Kruyer	"	—
	3 % red.	Ed. van Harthals	W. van Duyn	"	—
	E.I.	Grote & Grote	Wackernagel & Sons	"	—
	4 %	Pereira & de Crasto	A. & C. Lumbroso	—	£50
28 "	S.S. Ann.	van Hemert & Backus	Gertruyd de Rankenaar (spinster)	General	—
	3 %	"	"	"	—
	S.S.	"	"	"	—
	3 % red.	J. P. Blaguière	John Cordes	"	—
	E.I.	I. M. da Costa	A. van D. M. da Costa	"	—
29 "	3 %	Antony Barre	Antony Barre	—	£500
	S.S.	Jacob, Moses & Raphael Franco	Ab. & Diego Pereira & Jacob de Mattos	General	—
	3 %	Ab. Buardo	Ab. Lopez Arias	"	—

Date	Stock	London Attorney	Buyer or Seller in Amsterdam	Procura- tion to buy	Procura- tion to sell
1773 20 Jan.	4 % 4 %	Ab. Ricardo John Stallard	David Abarbanel William Stallard	General "	— —
(Notarieel Archief 10,604: Notary Daniel van der Brink)					
1 Apr.	E.I. 3 % B.E.	Timothy Nucella Antony Barre Thomas, Thomas & Thomas	Ab. Muyssart J. A. Barre David Franco Isaaczoon	— — General	£3300 £500 —
	B.E.	"	D. Isaaczoon & I. de Mattos	"	—
	B.E.	"	Gracia de I. F. Mendes	"	—
	S.S.	Ed. van Harthals	Quiryn van Stryen	"	—
	4 %	A. & J. Osorio	Sara, Aron de Meza	"	—
	E.I.	van Notten & Woesthoven	D. A. Roest	—	£1000
3 "	E.I. B.E.	George Capadose van Notten & Woesthoven	I. & J. da Costa Eva van Breughel	— General	£500 —
5 "	£3. 10s. Ann.	"	Adrian de Mey	"	—
	"	"	Jan Knuyse	"	—
	"	"	J. J. van Wyck	"	—
	"	"	L. de Mey	"	—
	"	"	W. Knuyse	"	—
	"	"	Susanna van Collen	"	—
6 "	E.I. 3 %	H. M. da Costa Voorst & Boon	Ananias Willink Dirk Groot	— General	£2000 —
	E.I.	Muilman Chiswell	Gerrard van der Post	—	£2000
	E.I.	Forbes & Gregory	Eliz. van der Wall	—	£3000
8 "	E.I.	Muilman Chiswell	M. Freher	—	£1000
	3 %	"	E. van Berckel	General	—
	3 % red.	"	"	"	—
	S.S.	"	"	"	—
9 "	E.I.	Timothy Nucella	Frans Tayspiel	—	£1000
13 "	E.I.	George Capadose	I. & J. da Costa	—	£2000

(Notarieel Archief 10,614: Daniel van der Brink)

Date	Stock	London Attorney	Buyer or Seller in Amsterdam	Procura- tion to buy	Procura- tion to sell
1776 18 Oct.	S.S. Million Bank	van Neck & Oliver	Hendrik Backer	General	—
		"	"	"	—
	3 % red.	Joseph Mellish	Nicolas Warin	—	£2000
21 "	S.S.	George Capadose	J. de Abraham Capa- dose	—	£200
	B.E.	"	"	—	£250
25 "	Equivalent Co.	Messrs Coussemakers	A. B. Verhammel	—	£250
	3 % red.	"	Cornelis van der Vliet	—	£1700
	3 %	Chiswell & Berens	Susanna van Halen- stedt	—	£2000
28 "	S.S.	Joseph de Pinto	David & Aron de Sola	—	£200
	B.E.	van Notten & Woesthoven	D. Roest	—	£1500
			D. Roest	—	£1500
29 "	B.E.	Chiswell & Berens	Cornelis Backer	General	—
	3 %	"	J. van Winter	—	£2500
	3 %	"	C. van Winter	General	—
	3 %	"	P. van Winter	"	—
31 "	B.E.	"	Dirk van Meersch & David van Heyst	—	£4800
	B.E.	"	Gillis Alewyn	General	—

APPENDIX E

Price List of Stocks quoted on the Amsterdam Bourse in 1795 showing how British stocks were being superseded by American. Price Courant of Loans, Shares and other securities (drawn up on the authorisation of the Representatives of the People of Amsterdam, 10 July 1795) (from "Plakkaten" in the *Economisch-Historische Bibliotheek*, Amsterdam, 6. G. 41).*

	America	Dividend	Price
Loans charged to States, with premium		4 %	108
" " " without premium		4 %	84
" " " without premium		5 %	96
Liquidated Debt (by Stadnitsky), with premium		6 %	140
" " (by Staphorst & Hubbard)		6 %	130
" " (by Crommelin & Sons)		6 %	120
" " (by Texter, Augely & Massac)		6 %	100
" " (by Crommelin, 15 Nov. 1790)		5½-7 %	100
" " (by Staphorst & Hubbard, 1 Sept. 1790)		5½ %	102
" " (by Staphorst & Hubbard, Jan. 1791)		6 %	100
" " (by Croeze & Co.)		6 %	93
Consolidated Funds (by Staphorst & Hubbard, April and July 1791)		5½ %	100 and 96
" " (by Crommelin & Sons, and Texter)		5½ %	97
" " (by Croeze)		5½ %	91
" " (by Crommelin & Sons)		4½ %	76
" " (by Staphorst & Hubbard)		4½ %	77
" " (by Texter, Augeley & Massac)		4½ %	76
" " (by Croeze)		4½ %	72
Deferred Debt (by Crommelin & Sons)		5½ %	93
American Bank (Staphorst & Willink)		5 %	96
Loan (by Crommelin & Sons), with premium		5 %	98
" (by Crommelin & Sons), with premium		4½ %	90
American Lands (Stadnitsky & Sons, 1 Jan. 1793)		4½ %	84
" " (Stadnitsky & Sons, 1 June 1793)		4½ %	74
Chargeable on land lying in the City of Washington		6 %	92
" to William Bingham by W. & J. Willink		6 %	90
Bank Shares by Stadnitsky for 400 dollars		6 %	1100 guilders

Original Dollars, 6 % at 238 guilders per 100 dollars.

" " 3 % at 135 guilders per 100 dollars.

Original Deferred Debt, 3 % at 170 guilders per 100 dollars.

Bank Stock, 3 % at 1200 guilders per 400 dollars.

Loan by Staphorst & Hubbard: dividend 4 %, price 100.

Trading Societies by Staphorst & Vollenhoven: dividend 4 %, price 65.

(Also quoted 5 loans for Denmark, 3 for Sweden, 4 for Russia, 6 for Austria, 3 for Prussia, 3 for Spain, 4 for Poland, 1 for Courland, and 5 for Saxony.)

APPENDIX F

A list of some of the Directors of the Bank of England who acted as correspondents for Dutch investors in the Funds between 1719 and 1785.¹

Sir Theodore Janssen	James Gaultier
Nathaniel Tench	Samuel Trench
Robert Bristow	Alexander Sheafe
Samuel Bulteele	Sir Merrick Burrell
Sir Peter Delmé	Claude Fonnereau
Sir William des Bouverie	Bartholomew Burton
Sir Gerard Conyers	Peter Gaussen
Sir Justus Beck	Samuel Bosanquet
William Henry Cornelison	Edward Darell
Sir Denis Dutry	Philip de la Haize
Richard Chiswell	Jeremiah Harman
Richard du Cane	Charles Pole
John Bance	

¹ Compiled from Procurations in the Notarieel Archief (Gemeente Archief, Amsterdam), Notary P. de Marolles (volumes 7986–8008); Notary Daniel van der Brink (volumes 10,561–10,661). Verified from Marston Acres' *The Bank of England from Within* (1931), Appendix 1.

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